

## The Development of a Concept that will Welcome the World to Saint Lucia

The Saint Lucia Air and Sea Ports Authority (SLASPA) is among the few organizations in St. Lucia that has the privilege of interacting with everyone who comes into the island through any one of its five official ports of entry. With modern cargo handling equipment and storage facilities, SLASPA also plays a key role in the facilitation of goods into the island.

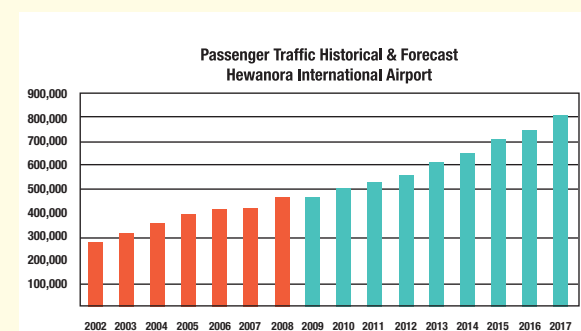
Over the years, SLASPA has made the necessary investments to ensure that its role in trade facilitation is well executed. Moving forward, SLASPA plans to build on the successes achieved and continue on the path of growth with two key projects. Firstly, the Port Castries redevelopment project that will transform the port into a modern inner harbour and secondly, the proposed redevelopment of Hewanorra International Airport (HIA) that will strategically place St. Lucia at the forefront of the aviation industry in the Caribbean. SLASPA is therefore pleased to present the following details on the proposed Hewanorra International Airport Redevelopment Project.

### From US Military Base to the Gateway to St. Lucia

Built on a site of a former sugar plantation in 1942, Hewanorra International Airport (HIA) was once a United States Air Force Base known as Beanfield Airport. The base included two 1,525m (5,000 ft) long runways, taxiways, maintenance sheds and a barrack all which were later handed over to the Government of St. Lucia in 1964. In 1975, a major rebuilding programme was undertaken to facilitate international aviation business. By 1991, the number of ramps were increased from three (3) to five (5) to accommodate two (2) wide bodied and three medium-sized aircraft. 1993 saw the construction of a new terminal building which doubled the passenger capacity. Today, Hewanorra International Airport (HIA) serves as a major "Gateway to St. Lucia" handling around 45 weekly international flights.

### Passenger Growth

“HIA has seen steady growth in aircraft movements and passenger traffic over the past few years moving from 275,710 passengers in 2002 to 466,229 in 2009. This growth is expected to increase by 5% by the end of 2010 and exceed 600,000 passengers by 2015.”



### Current Challenges faced at Hewanorra International Airport



Congestion in the Departure Lounge

Alongside this statistical trend are changes in industry dynamics such as safety and security requirements, passenger profiles, behaviour patterns, demands and satisfaction levels. In addition, HIA suffers from a myriad of design challenges which inhibit the facility from meeting current and future market demands. These challenges are outlined as follows:

- Inadequate check-in counters and absence of automated check-in facilities;
- Poor temperature control within the check-in concourse;
- Inadequate space allocations for the Immigration and Emigration services;
- Undersized baggage carousels/conveyor belts;
- Inadequate road infrastructure to facilitate the seamless operations of ground transportation;
- Archaic tower and technical block;
- Continual sewerage and plumbing problems;
- Inadequate seating within the departure concourse;
- Inadequate parking for wide bodied aircraft (boeing 747, 777) in front of the terminal.

Despite recent renovation works undertaken whereby the departure lounge was expanded to create additional space, service quality issues persist.

### Commissioning of a Master Plan

SLASPA, conducted a review of St. Lucia's two airports, that included the analysis of the reduction in utilization and overall profitability of George EL Charles (GFLC) Airport. SLASPA then outlined to the Government the need to consider a review of this aerodrome in rationalizing the Airports on the island. It was noted that the operations at GFLC Airport though diminished, inhibited the ability of HIA to expand by the use of hubbing (passengers) initiatives. Against this background, and noting the need to expand the HIA terminal, the Government approved the initiative to perform a feasibility study of the continued use / closure of GFLC Airport and to outline alternative uses for the facility.

“With sound evidence that HIA could no longer support the changing dynamics of the travel and tourism industry, the Saint Lucia Air and Sea Ports Authority (SLASPA) together with the Government of St. Lucia (GOSL) made the strategic decision to commission a master plan for the redevelopment of HIA.”

The Master Plan that was developed by Terminal Architects, Miami-based Heery S&G, concluded that due to the growth expansion limitation of the current terminal, a new terminal would be necessary.

### The New Concept – Rebuilding for Excellence

One of the main objectives of the proposed terminal is to meet current and future market demands. Such factors were carefully reviewed and incorporated into the design. The result will



therefore be a facility that would meet the needs of the industry featuring the following:

1. Increased Counter Areas and CUTE (Common User Terminal Equipment) for faster check-in;
2. Increased Emigration and Immigration agent positions;
3. Six-lane passenger security check points;
4. Gate hold room with increased seating capacity;
5. High-end Executive Clubs and VIP Lounges;
6. Food court with wider variety of eating options;
7. Improved Customs Inspection area;
8. Improved baggage claim retrieval area;
9. Redesigned Heating, Ventilation and Air-Conditioning and Refrigeration Systems for an energy efficient facility;
10. Modern control tower featuring a full display of equipment for both approach and aerodrome control allowing for more efficient management of air space and parking positions;
11. An increase in aircraft apron parking positions from 5 to 8 in Phase 1 with one (1) apron position capable of accommodating the airbus A380, all of them connected to the terminal via jet bridges;
12. Hubbing facilities for both passengers and cargo which is consistent with the findings of SLASPA's market research.

“The proposed airport facility though primarily functional, is also uniquely designed to capture the natural aspects of St. Lucia particularly the island's lush rainforest and its unique Pitons. The airport will not only be visually appealing but will also be constructed in a manner to maximize land use and its surrounding areas while decreasing operational costs.”

### Getting Started on the Procurement Process

A project of such magnitude undoubtedly involves both SLASPA and the Government of Saint Lucia (GOSL) in the decision making process. One aspect of that process involves national policy directives regarding the project which is the responsibility of the GOSL. Another aspect of the decision making involves the procurement process and ranging from the call or invitation for proposals, evaluations of bids and decision to award.

In February 2009, SLASPA developed a Request for Proposal (RFP) document outlining the framework and guidelines under which Proposers were to submit proposals to Finance Design and Construct a New Terminal at HIA. The RFP had a specified closing date for receipt of all submissions, to which there was full compliance from all Proposers. Initially, discussions were held with financing institutions for procurement of financing, however, the security required was too onerous and was not recommended to the Government.

Taking into consideration the scope and magnitude of the project as it relates to the proposers' capability and capacity to Design, Finance and Construct an Airport Terminal facility, SLASPA opted for a selective procurement process. Based on its knowledge and experience in the sector, SLASPA identified a short list of Regional and International companies with the requisite competence and track record on similar projects. A total of seven (7) companies/consortiums were short listed and invited to submit RFPs within the proposal submission deadline established by SLASPA. A total of three (3) RFP bids were received within the bid close date. Some of the short listed companies declined the opportunity to submit bids, while others accepted Bid documents (RFP requirements and guidelines).

The RFP document provided to proposers contained instructions on the process as well as proposal specifications related to the design, financing arrangement and the construction of the proposed Terminal facility. As an integral part of SLASPA's procurement procedures and due diligence process, the Port Council approved the RFP bid evaluation procedure and the criteria to be used in the evaluation of proposals. In that regard, the Council of SLASPA as the highest decision making authority of the agency, has been and remains committed to maintaining the integrity of SLASPA's procurement process.

### Financing of the Airport Project

Preliminary budget estimates of the project was slated at EC \$427 million dollars (US \$157 million dollars). However, the Government of St. Lucia in consultation with SLASPA requested a value engineering exercise be undertaken with the view for capital expenditure not to exceed EC \$381 million (US \$140 million).

Undoubtedly, the financing of the project posed challenges for SLASPA. However, the

organization's experience with prudent financial management practices would allow for the establishment of the following parameters:

1. To obtain an optimal design at a highly reduced cost;
2. To ensure there was no compromise of the proposed functionality of the structure;
3. To reduce the financial liability to the State, by ensuring that the project was self-financing and to confirm special treatment of the financial models with the World Bank and IMF;
4. To ensure that any additional charge required per passenger was kept to an absolute minimum;
5. To explore financing mechanism/models which are not overly onerous in terms of additional security.

### Evaluation of Proposals – A Reflection of Consistency and Integrity of SLASPA's Processes

Over the years, SLASPA has established a proud record of managing large capital projects. Its procedures and systems in managing the procurement of goods and services are well established.

“The management of the RFP bidding process has been in full compliance with the Authority's procurement procedures and in accordance with the bid evaluation criteria approved by the Port Council.”

It is important to note that due to the nature of the RFP, all three (3) proposers put together Consortium Teams in making their formal submission. This would have allowed them to provide expertise in all of the subsections stipulated in the RFP. The following provides a factual account of the RFP process:

1. SLASPA received three (3) fully compliant RFP bids and evaluated the proposals in accordance with the evaluation procedures and criteria approved by the Port Council. The RFP comprised both technical and financial requirements. It is important to note that the RFP did not allow for a mortgage or a Government Guarantee;
2. SLASPA's evaluation team, having reviewed the submissions and evaluated them made a recommendation was made to SLASPA's Port Council;
3. The evaluation revealed that none of the submissions satisfied the full requirements/expectations of SLASPA and therefore the RFP bid process were closed without any award being made. All three (3) proposers were rejected and notified accordingly;
4. SLASPA decided to engage the three (3) proposers in "without prejudice" discussions (meaning that neither SLASPA nor bidders could be bonded by matters discussed) with a view to exploring their interest in making a submission/proposal under revised parameters. These parameters kept the issues of no mortgage but the security components were worded as follows: "The need to explore all financing

mechanisms/models which are not onerous in terms of additional security.”

5. All three (3) proposers participated in the "without prejudice" discussions and re-submitted formal proposals based on the revised parameters.
6. Evaluation procedures and criteria were again approved by the Port Council and the evaluation of the revised proposals were conducted accordingly;
7. The Port Council approved the evaluation results and the associated recommendations coming out of the process;
8. The result/outcome of the evaluation process was communicated to the Proposers with respect to their submissions;
9. SLASPA commenced negotiations with a preferred proposer towards finalization of a detailed project model within the approved bid submission parameters.

### Current Status of the HIA Project

SLASPA is still engaged in an active procurement and the Management and Council of SLASPA will continue to be responsible in their conduct.

“SLASPA remains committed to maintaining its record as a reputable and responsible National agency contributing to Saint Lucia's social and economic development.”

Against that background, an official public announcement will be made at the appropriate time.

### Addressing the Needs of Stakeholders and Planting Seeds for a Secure Future

SLASPA is an organization that prides itself on integrity, prudent financial management, operational efficiencies, employee development and service excellence. SLASPA therefore fully understands and takes very seriously its mandate and responsibility to efficiently manage St. Lucia's ports of entry while promoting and protecting the national interest of Saint Lucia.

SLASPA has embraced a culture of communication and has worked closely with all stakeholders in pursuing its mandate while being sensitive to their views and concerns as it relates to the Hewanorra International Airport and other facilities. The proposed Hewanorra International Airport redevelopment project is essential in meeting the needs of stakeholders and thus critical to the continued development and future growth of Saint Lucia's economy.

