



## **JAMAICA: FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT**

Loan No.:8408-JM – Component: 2A

**Assignment Title: Transaction Advisor for the Privatisation of the Agricultural Marketing Corporation (AMC) Complex (Lands and Buildings on Spanish Town Road, Kingston)**

**Reference No. (as per Procurement Plan): FCG/CON/083-0**

### **Terms of Reference**

#### **I. INTRODUCTION**

The International Bank for Reconstruction and Development (the World Bank) approved the Jamaica Foundations for Competitiveness and Growth (FCG) Project on July 25, 2014. The Project is being implemented by the Planning Institute of Jamaica (PIOJ) in collaboration with the Jamaica Promotions Corporation (JAMPRO) and the Development Bank of Jamaica (DBJ). It is aimed at strengthening the business environment in Jamaica for private sector investment through:

- ***Component 1: Enhancing competition in the business environment through an improved business climate - (JAMPRO)***
- ***Component 2: Facilitating strategic private investments through a Project Preparation Facility (PPF) for public-private partnerships (PPP), divestments and other strategic investments - (DBJ)***
- ***Component 3: Supporting small and medium enterprises (SME) capabilities and finance through matching grants to facilitate supply chain linkages, a line of credit and SME skills upgrading - (DBJ)***

Relative to Component 2 above, the FCG Project aims to facilitate strategic private investments through financing feasibility and other related studies and technical assistance to enable the government to prepare for and close investment transactions with private sector participation in a way that enables transformational growth impacts.

#### **II. BACKGROUND**

The Agro-Investment Corporation (AIC/Agro-Invest) is the business facilitation arm of the Ministry of Agriculture and Fisheries (MAF) with responsibility for attracting investments in the agricultural sector. AIC is also tasked with mobilizing funding opportunities and providing partnerships with the private sector through the leveraging of government-owned assets.

Among its portfolio of agri-business activities is the management of the Agricultural Marketing Corporation (AMC) Export Complex. The AMC Export Complex was established in the 1960's and is approximately 14,634.78 square meter (157,527.46 square feet); the Complex sits on approximately 9.58 acres (3.877 ha) of land. The AMC Complex was developed to be a critical hub for agricultural value chain related activities including the following:

1. Packaging of fresh produce and value-added products for high-value export markets;
2. Warehouse storage for produce and packaging material;
3. Cold storage; and
4. Support offices

The AMC Complex is a central pillar in the GOJ's programme of increasing agricultural exports while meeting international standards such as ISO, FSMA, FDA, Global GAP and HACCP. Over the years, due to insufficient funding for maintenance, the AMC Complex has been subject to deterioration of the facilities, particularly the main warehouse area. While demand for the main warehouse space is constantly high, its roles and functions critical to the agricultural logistics chain are being impaired. As a result, the economy has been void of possible foreign exchange earnings and potential employment opportunities, especially of women and youth in the facility's immediate environs.

The main objective of the AMC Complex is to become the hub and driver for the alignment of the value chain in the agricultural sector. The specific objectives are as follows:

- 1) To operate a logistic and distribution hub that facilitates the marketing of agriculture produce.
- 2) To obtain International Food Safety Certifications, to include, Food Safety Modernization Act (FSMA), Hazard Analysis Critical Control Point (HACCP) GLOBAL G.A.P, ISO 9001, supported by Plant Quarantine, Bureau of Standards, JANAAC and other local food safety certifications.
- 3) To develop and promote the value chains through agro processing activities.
- 4) To provide business opportunities and SME development for agricultural related entities.
- 5) To facilitate the expansion of agricultural produce or byproducts into regional and international markets.

Cabinet Decision 2/16 dated 11 January 2016 approved the privatisation of the Agricultural Marketing Corporation (AMC) Complex (land and buildings) on Spanish Town Road via the Stock Exchange or any other appropriate modalities, subject to due diligence. The aim of this privatisation is to fulfil the government's mandate of facilitating private sector investment through the leveraging of government-owned assets to contribute to economic growth, development, and employment generation.

### **III. OBJECTIVES OF THE ASSIGNMENT**

The overall Development Objective of the Project of which this contract will form a part is to enable growth in the agricultural industry by facilitating strategic private sector investments through privatisation.

The objective of this assignment is for the Consultant to provide strategic, technical and legal expertise to the Government of Jamaica's (GOJ) Team on the feasibility of the transaction as well as prepare a privatisation options analysis for successful transaction implementation. The Consultant must explore and recommend a suitable privatisation strategy and advise its viability and recommend the corresponding modality most suitable for the AMC Complex and assist the GOJ in the implementation and execution of the proposed strategy.

The consultant is expected to:

- i. Assist the GOJ in the structuring of an optimal transaction for the privatisation of the asset;
- ii. Conduct the required financial, economic, environmental, legal and regulatory research, and provide an analysis on the potential impacts and mitigating measures to address these;
- iii. Conduct a technical assessment of the asset using facility optimization studies to include reference to international best practices and standards;
- iv. Conduct legal and contractual due diligence, and diagnostic of AMC geared towards identifying the legal framework and regulatory requirements in Jamaica to the proposed project;
- v. Analyse the options available for use of the facility including key considerations and implications for each option and the recommended option that achieves the GOJ's objectives;
- vi. Undertake the valuation of the asset, including but not limited to licenses, PPE and real estate and a business valuation;
- vii. Undertake a Stakeholder Assessment;
- viii. Develop a Marketing Plan to promote the AMC Privatisation opportunity to local and international investors;
- ix. The marketing plan should also identify market niches or prospective buyers or renters and suggestions on how to reach them;
- x. Execute the Marketing Plan as approved by the Enterprise Team;
- xi. Conduct the pre-qualification exercise to engage investors about the opportunity;
- xii. Prepare the necessary Request for Proposal (RFP) documents for release to prospective bidders and assist the ET in determining the criteria for the evaluation of bids;
- xiii. Assist the ET with the due diligence of investors/bidders, and with the analysis and evaluation of bids received;
- xiv. Assist and guide the Enterprise Team in negotiations the top rank bidder(s);
- xv. Draft agreements relevant to the Transaction;
- xvi. Provide any other legal, technical and logistical support needed for completion of the privatisation exercise; and
- xvii. Assist DBJ during the implementation phase of the Transaction until closing meaning the date on which (i) the Preferred Bidder(s) for the project has/have been selected by the Enterprise Team and approved by the Cabinet, and (ii) all contractual documents evidencing the Privatisation have been executed, or (iii) all the financial obligations under the approved structure have been satisfied by the Preferred Bidder.

#### **IV. SCOPE OF SERVICES, TASKS (COMPONENTS) AND EXPECTED DELIVERABLES**

##### **Task 1(a): Inception Report**

- Inception report on initial findings from the document review and identification of data gaps, any perceived challenges or limitations in completing the assignment;
- Final Work Plan and Project Implementation Schedule;

##### **Task 1(b): Conduct financial, technical, environmental, legal and regulatory research and analysis**

- Assess the financial, economic, environmental, legal and regulatory risks associated with pursuing privatisation of the asset;
- Undertake economic/financial analysis of the project;
- Utilise facility optimization studies to conduct a technical assessment of the asset in the context of an agro-processing hub and facility, storage facility and export hub;
- Carry out land surveying and valuation activities (PPE, and Real Estate);
- Legal due diligence to include the researching and reviewing of any documentation provided in relation to the project to identify the legal and regulatory issues which might arise and providing recommendations;
- Review existing contractual arrangements in relation to the Complex to ascertain legal implications and provide recommendations;
- Provide a stakeholder list and develop a stakeholder register; and  
Conduct interviews/meetings with all stakeholders to gain a sense of their perception of the transaction and their requirements.

##### **Task 2: Feasibility Study/Options Analysis and Transaction Structure Report**

- Undertake a Business Valuation of the AMC Complex; to include the income approach, the asset-based approach and market approach;
- Provides options for financial and commercial feasibility including financial models. The aim of such a financial model will be to: (i) present likely future cash flow for the facility (under a range of sensitivities to be determined with the client), (ii) test the financial feasibility of the proposed transaction structures, and (iii) evaluate the financial impact of such structures on the Government and its finances; Analyze the options available for use of the facility including key considerations and implications for each option and the recommended option that achieves the GOJ's objectives; and
- Provide a detailed Transaction Structure Report, to include a high-level procurement plan.

##### **Task 3: Marketing and Communications, and Tender Documents**

- Identify potential local and international target audience;
- Develop and execute marketing strategies to promote the opportunity and identify targeted marketing channels/methods;
- Develop advertisements marketing the transaction;
- Draft the Term Sheet of the transaction; and
- Complete the detailed procurement plan and draft bidding documents, such as the Pre-Qualification/ the Expression of Interest (EOI) and Request for Proposals (RFP) Documents.

#### **Task 4: Transaction Implementation and Bidding Process**

- Assist the DBJ and the Enterprise Team in implementing the approved transaction structure;
- Finalize the bidding documents (EOI / Pre-Qualification and RFP to be provided to potential bidders);
- Draft agreements relevant to the Transaction;
- Conduct the Pre-qualification/EOI exercise to engage investors about the opportunity;
- Launch the RFP tender process;
- During Pre-Qualification/EOI and RFP stages and negotiations with bidders, prepare responses to all questions for review and amendments by the Enterprise Team and the DBJ;
- Participate in bid evaluation including the review of proposals for compliance with RFP terms, and preparation of the evaluation report;
- Finalize Term Sheet;
- Assist and guide the Enterprise Team in negotiations;
- Propose a contract management team and strategy for the asset;
- Design an oversight and approval mechanism for the asset pursuant to the approved Transaction Structure;
- Design a monitoring and evaluation framework for the asset pursuant to the approved Transaction structure; and
- Provide any other necessary technical support needed for close of the transaction.

#### **Task 5: Contract Management, Monitoring Plan and Contract Agreement**

- Provide the final negotiation Report;
- Provide the final contract monitoring, evaluation and management framework for the asset ; and
- Provide the final contract agreement.

### **V. TEAM COMPOSITION & QUALIFICATION REQUIREMENTS FOR THE KEY EXPERTS**

#### **Key Expert 1: Team Leader/Financial Consultant:**

- Master's Degree or higher in Economics, Finance, Accounts or related field;
- At least 15 years' experience in conducting financial and economic analysis of infrastructure projects, particularly projects relating to agro-processing, storage and industrial spaces;
- Accredited Business Valuator or the equivalent professional qualification;
- Experiencing in managing inputs from technical specialists;
- Experience in management of agro-processing facilities and industrial properties;
- Specific experience in developing and implementing PPP/Privatisation transactions in the industrial field and in commercial agriculture;
- Specific experience/knowledge in the industrial process flows/processes in commercial agriculture for export
- A minimum of 5 years working experience in the Caribbean and Latin American region (or other small economies). Specific experience in Jamaica is a distinct asset;

**Key Expert 2: Legal Consultant:**

- Bachelors of Law or equivalent legal education;
- At least 10 years' experience in corporate business / commercial law, evidence of significant legal experience in, inter alia, commercial, finance, labour, real estate, and contract law and aspects of tax law relevant to the Transaction;
- At least 10 years' experience as a legal advisor in drafting and negotiating Privatisation/PPP agreements would be a distinct asset; strong judgment, negotiating and problem-solving skills;
- Knowledge of Jamaica's legislative framework with specific focus on agriculture industry and export trade and international standards such as ISO, FSMA, FDA, Global GAP and HACCP is a distinct asset;
- Experience in regulatory framework analysis in the context of the implementation of an industrial facility;
- Experience in working with Jamaican government clients and their advisors would be an asset;

**Key Expert 3: Valuation Consultant:**

- A minimum of a Bachelor of Science in Quantity Surveying, Built Environment or related field;
- Accredited Land Surveyor and Certified Commercial Real Estate Appraiser;
- At least 10 years' experience in the valuation and appraisal of industrial properties;
- Experience working with agricultural properties would be a distinct asset;

**Key Expert 4: Marketing and Communications Specialist:**

- A minimum of a Bachelor of Science in Marketing, Communications, Public Relations or related field;
- At least Five (5) years' experience in marketing and communications in a large-scale organization;
- Experience in working with government clients and their advisors is a distinct asset;
- A successful and demonstrable track record in undertaking and developing marketing and advertisement plans and/or campaigns

The Consultant must select and hire other experts as required according to the profiles identified in the Organization & Methodology and/or these Terms of Reference. All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The Consultant will provide support facilities to their team of experts (back-stopping) during the implementation of the contract. The Consultant must ensure that experts are adequately supported and equipped. In particular, it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

**VI. REPORTING REQUIREMENTS AND TIME SCHEDULE FOR DELIVERABLES**

The Planning Institute of Jamaica is the Contracting Authority and shall approve any contractual amendments and payments.

The Consultant will report to the Development Bank of Jamaica Limited (DBJ), the Supervising Entity. The Supervising Entity shall be responsible for the approval of contractual reports and payment requests. The designated representative of the Supervising Entity is the General Manager, Public-Private Partnerships and Privatisation (P4) Division.

In fulfilling her responsibilities, the designated representative of the Supervising Entity will consult with the Enterprise Team and the Project Team (if applicable).

The intended start date is March 2023 and the period of implementation of the contract will be 12 months from this date.

<b><u>Deliverables</u></b>	<b><u>Minimum Content</u></b>	<b><u>Time of submission</u></b>	<b><u>Review Period</u></b>	<b><u>Payment %</u></b>
<b>Task 1(a): Inception Report</b>	(i) Inception report on initial findings from the document review and identification of data gaps, any perceived challenges or limitations in completing the assignment; (ii) Final Work Plan and Project Implementation Schedule;	3 weeks after contract start date	2 weeks	10%
<b>Task 1(b): Conduct financial, technical, environmental, legal and regulatory research and analysis</b>	(iii) Technical report outlining the financial, economic, environmental analysis; (iv) Legal due diligence report outlining legal, regulatory and institutional analysis; (v) Infrastructure Report on asset as an agro-processing facility; (vi) Surveyor's Report; (vii) Real Estate Valuation Report (viii) Stakeholder Register; (ix) Report outlining feedback from stakeholders;	8 weeks after contract start date	3 weeks	15%
<b>Task 2: Feasibility Study/Options Analysis and Transaction Structure Report</b>	(i) Business Case Report a. Including a Valuation Report; b. Strategic Options Analysis Report c. Transaction Structure Report, to include a high-level procurement plan d. Presentation to the GOJ Team	12 weeks after contract start date	4 weeks (ET) & 4 weeks (Cabinet)	20%
<b>Task 3: Marketing and Communication &amp; Tender Documents</b>	(i) Listing of potential investors; (ii) Marketing and Communications Plan; to include advertisements and management of press releases; (iii) Draft Term Sheet;	18 weeks after contract start date	3 weeks	15%

	(iv) Detailed procurement plan and draft bidding documents (Pre-Qualification/ the Expression of Interest (EOI) and Request for Proposals (RFP) Documents)			
<b>Task 4: Transaction Implementation and Bidding Process</b>	<p>(i) Final Bidding Documents</p> <ul style="list-style-type: none"> <li>a. Pre-Qualification/EOI Documents and RFP Documents);</li> <li>b. Final Term Sheet</li> </ul> <p>(ii) Conduct and administer the bidding process.</p> <ul style="list-style-type: none"> <li>a. Issue RFQ &amp; complete pre-qualification</li> <li>b. Issue RFP</li> <li>c. Documented and substantive responses to bidders when requested; Question and Answer Report</li> <li>d. Complete the Bid Evaluations and Bid Report</li> <li>e. Complete contract negotiations and submit negotiation report upon successful completion of the Transaction Implementation;</li> </ul>	<p>22 weeks after contract start date</p> <p>Commence the Bidding Process and Transaction Implementation within 1 month of receiving the GOJ (ET/Cabinet) approval to proceed through the Project Manager identified in the contract.</p>	12 weeks	20%
<b>Task 5: Contract Management, Monitoring Plan and Contract Agreement</b>	<p>(i) Final negotiation Report</p> <p>(ii) Final contract monitoring, evaluation and management framework for the asset</p> <p>(iii) Final contract agreement</p>	36 weeks after contract start date	4 Weeks	20%

Reports may be submitted in soft/electronic copy using Microsoft Word and Adobe PDF. The Final Report and PowerPoint Presentation shall be delivered by electronic copy as above, via email and in three (3) hard copies – the latter format upon sign off on the final deliverable.

The Consultant may be required to prepare and present on specific reports to the Enterprise Team.



**VII. CLIENT'S INPUT AND COUNTERPART PERSONNEL**

The Consultant will directly interface with the Public-Private Partnerships and Privatisation Division of the Development Bank of Jamaica Limited.

(a) Services, facilities, reports and property to be made available to the Consultant by the Client: *to be determined.*

(b) Professional and support counterpart personnel to be assigned by the Client to the Consultant's team: *to be determined.*