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A.I.D. Project Number: 538-0645.00

PROJECT

GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF ST. KITTS AND NEVIS

and the

UNITED STATES OF AMERICA

for

THE JUDICIAL AND LEGAL SERVICES COMPLEX

Dated: June 29, 1989

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PROJECT GRANT AGREEMENT

Dated: June 29, 1989

Between

The Government of St. Kitts and Nevis ("Grantee")

And

The United States of America, acting through the  
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex I, consists of the design, construction, construction supervision, furnishing and equipping, along with related and ancillary services and commodities, of a Judicial and Legal Services Complex to be located on Independence Square in Basseterre, St. Kitts. Annex I, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed One Million Four Hundred Thousand United States ("U.S.") Dollars (\$1,400,000.00) ("Grant").

The Grant may be used to finance foreign exchange costs as defined in Section 6.1. and local currency costs as defined in Section 6.2. of goods and services required for the Project.

Article 3: Financing (Continued)

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be no less than the equivalent of (US\$50,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1991, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Attorney General of St. Kitts and Nevis that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) A copy of the architectural and engineering services contract between the Grantee and the consultant engaged under the financing provided by the Caribbean Justice Improvement Project (CJIP) and in accordance with the terms of the Memorandum of Understanding executed between the Grantee and the University of the West Indies relating to such engagement, together with such evidence as appropriate to show complete funding of such contract, in addition to funding available from CJIP, from the Grantee's own funds;

(d) A copy of the final architectural and engineering design for the Judicial and Legal Services Complex prepared by the consultant mentioned in (c) above;

(e) The Invitation for Bids for procurement of construction services to be financed under the Grant prior to issuance; and

(f) The construction contract to be financed under the Grant, prior to such contract's execution between the Grantee and a firm acceptable to AID.

SECTION 4.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1. have been met, it will promptly notify the Grantee.

SECTION 4.3. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1. have not been met within 300 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

#### Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project and coordinate such program with the evaluation program established under CJIP. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Achievement of Caribbean Justice Improvement Project Policy Objectives. In consideration of this Grant which will allow the Grantee to more fully pursue the objectives of the administration of justice delineated in the Caribbean Justice Improvement Project, the Grantee hereby covenants to achieve and implement to the maximum extent practicable, those policy objectives set forth in its Country Action Plan, and in its Memorandum of Understanding with the University of the West Indies relating to the implementation of Country Specific Activities in St. Kitts and Nevis, which objectives are incorporated herein by reference.

SECTION 5.3. Judicial and Legal Services Complex. In support of (i) continuing the momentum of the law library assistance being provided to the Grantee under the Caribbean Justice Improvement Project and (ii) the construction, operations and maintenance of the new Judicial and Legal Services Complex, the Grantee shall:

(a) Provide adequate law library facilities within the new Judicial and Legal Services Complex upon completion of the construction program;

(b) Provide the land and other local resources and services which may be required to ensure the proper and timely completion of the Project, but which are not funded under this Agreement, including (i) personnel to administer architectural/engineering and construction contracts and (ii) levelling and preparation of the construction site;

(c) Incorporate the new complex into the Grantee's insurance scheme for public buildings;

(d) Provide, or cause to be provided, adequate and proper furnishings, equipment and supplies and utilities to ensure timely and effective operation of the services to be provided in the Complex upon completion of the Project; and

(e) Develop an appropriate maintenance program and provide, on a continuing basis, adequate funds for the maintenance of the Judicial and Legal Services Complex.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin and with respect to services their nationality in the United States ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in St. Kitts and Nevis ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts, (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. Dollars by purchase; and

(2) by A.I.D., (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. Dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. Dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant also may be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into St. Kitts and Nevis by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into Eastern Caribbean Dollars at the highest rate of exchange which, at the time the conversion is made, is not unlawful in St. Kitts and Nevis.

Article 8: Miscellaneous

SECTION 8.1. Communication. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:                   Honorable Attorney General

Mail Address:                   Attorney General's Chambers  
Government Headquarters  
P.O. Box 164  
Basseterre  
St. Kitts and Nevis

Cable Address:                   -

To A.I.D.:                       MISSION DIRECTOR

Mail Address:                   Regional Development Office/Caribbean  
P.O. Box 302  
Bridgetown, Barbados

Cable Address:                   2259 USEMB BGI-WB

Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Attorney General and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex I. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

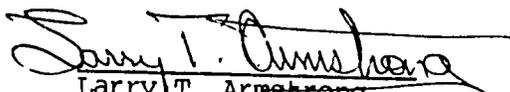
SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex II) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

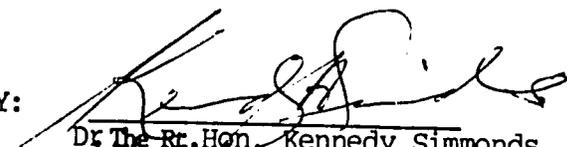
UNITED STATES OF AMERICA

GOVERNMENT OF ST. KITTS  
AND NEVIS

BY:

  
Larry T. Armstrong

BY:

  
Dr. The Rt. Hon. Kennedy Simmonds

TITLE: Acting Director

TITLE: Prime Minister

AMPLIFIED PROJECT DESCRIPTION

I. Background:

The St. Kitts and Nevis Supreme Court which housed facilities for the Law Library, the Public Library, the Judge's Chambers, the Registrar's Chambers, offices of the Registry staff and strong-room facilities for storing important legal documents, was completely destroyed by fire in 1982. Shortly after the authorization of the Caribbean Justice Improvement Project (CJIP) on August 8, 1986, a joint initiative between the University of the West Indies (UWI) and USAID to strengthen legal systems in the Commonwealth Caribbean, the Government of St. Kitts and Nevis (GOSKN) formally applied to the UWI for financial assistance in the construction of a new Judicial and Legal Service Complex in that country. As construction of new facilities was beyond the parameters of CJIP, it was agreed between UWI and USAID that further negotiations on the possible financing of the construction of a new Judicial and Legal Services Complex in St. Kitts and Nevis be conducted directly between the GOSKN and USAID.

It has also been agreed between USAID, UWI and the GOSKN that financing assistance for the services of an Architectural and Engineering firm to provide for the design and construction supervision services required for the construction of a new complex may be provided from the Country Specific Activities allocation of the CJIP budget. The GOSKN has competitively selected an A & E firm. It is estimated that the cost of such A & E services will completely utilize the US\$225,000 available to the GOSKN under the Country Specific Activities line item of the CJIP budget, which amount has been provided in a Memorandum of Understanding (MOU) between UWI and the GOSKN dated September 21, 1988.

The GOSKN has agreed to meet with its own funds any A & E cost requirements which exceed the US\$225,000 available from the Country Specific Activities line item for A and E services. Design work is expected to commence in July 1989 and be completed within four months of commencement.

II. The Project:

This Agreement obligates funding for the construction of the new Judicial and Legal Services complex on the site of the destroyed Supreme Court building on Independence square in Basseterre, St. Kitts. The complex will consist of a two storey building with basement and will total about 23,000 square feet. It will be located in Basseterre, St. Kitts on the historic site of the Judicial complex which was destroyed by fire, and will include or provide offices for the Attorney General, Court Magistrates, Registrars, a law library, Judges chambers, court rooms, support staff offices, vault and storage space, Attorneys/witnesses waiting areas, a jurors room and other meeting rooms. The obligated amount, US\$1.4 million, is estimated to be sufficient to meet the cost of construction, the GOSKN understanding that USAID is acting solely as a

financial assistance donor. As owner, the GOSKN has sole authority and responsibility to control costs incurred by both its A & E consultant and the construction contractor, and therefore, appreciates its undertaking, pursuant to the provisions of this Agreement, to meet with its own funds any costs that may exceed the funding provided by this Agreement in order to achieve a complete and fully functioning facility. The GOSKN has determined to allot US\$1.2 million of the US\$1.4 million obligated herein to the actual cost of construction, reserving US\$200,000 as a contingency to defray any unforeseen construction costs or any other costs as determined by the Parties as pertinent to the completion of the Complex.

The GOSKN is expected to provide the financing to acquire the necessary equipment, supplies and furnishings for the new facility from its own resources. This total value of such a contribution is expected to be EC\$130,000.

It is estimated that the construction activity will be of 14 months duration.

### III. Project Implementation:

Through participation in several other USAID-funded projects, the GOSKN is familiar with USAID project implementation procedures. While the design and construction supervision elements of the complex are not included in or financed by this Project Agreement, the GOSKN will have responsibility for managing these elements (using USAID host country procurement procedures) under financing assistance provided in the above referenced MOU from the UWI component of the CJIP.

The construction firm will be contracted by the GOSKN using the host country contracting procedures to be provided the GOSKN by USAID in Project Implementation Letters, but anticipated to be substantially similar to those construction contracting procedures utilized for the Southeast Peninsula Development Project (538-0138.01).

#### A. Implementation Schedule

Following is an implementation schedule for the construction activities to be undertaken in St. Kitts and Nevis. Although the design and construction supervision services contract is not funded under this Grant Agreement, the schedule for these activities are shown as they are integral to the overall construction effort.

<u>1. Design/Supervision Services</u>	<u>Completion Date</u>
RFTP distributed	Completed
Proposals submitted	"
Proposals ranked	"
Host country contract with A & E firm executed	July 1989
Contractor presents preliminary design report	August 1989
First design report reviewed and approved	September 1989
Contractor submits final design report	November 1989
Final design report reviewed and approved	December 1989
Construction supervision initiated	May 1990
Construction supervision completed	August 1991
<u>2. Construction Services</u>	
IFB issued to prequalified construction contractors	January 1990
Bids evaluated and ranked	March 1990
Host country contract negotiated and signed	April 1990
Construction contractor commences mobilization	May 1990
Construction starts	May 1990
Construction completed	July 1991

B. Monitoring:

USAID's Infrastructure office within the Regional Development Office for the Caribbean located in Bridgetown, Barbados, in cooperation with the CJIP Project Manager, will have primary responsibility for the monitoring of the design, construction supervision and construction activities. The GOSKN will appoint a representative from the Ministry of Public Works to manage the activity during both the design and construction phases, providing day-to-day supervision and guidance to both the A & E firm and the construction contractor. Since the design and construction supervision work will be funded from the Country Specific Activities of the CJIP, the UWI has signed a Memorandum of Understanding with the GOSKN specifying implementation arrangements. The UWI will monitor activity implementation in accordance with the terms of the Memorandum and its separate Project agreement with USAID.

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ILLUSTRATIVE BUDGET  
ST. KITTS COURTHOUSE CONSTRUCTION COSTS  
US\$(000)

*Architect Engineering Design & Construction Supervision	-	\$ 225
Construction	-	\$1,200
Contingency	-	\$ 200
		<u>\$1,625</u>
Government of St. Kitts and Nevis Contribution	-	\$ 50
GRAND TOTAL		<u>\$1,675</u> =====

\*Funding being provided under UWI component of Caribbean Justice Improvement Project

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