

CONFORMED COPY

PROJECT AGREEMENT

AMENDMENT NO. 1

BETWEEN

THE GOVERNMENT OF ST. KITTS AND NEVIS

AND

THE UNITED STATES OF AMERICA

FOR

CARIBBEAN JUSTICE IMPROVEMENT

DATE: November 13, 1991

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AMENDMENT NUMBER ONE  
TO  
PROJECT GRANT AGREEMENT

Dated: November 13, 1991

**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.")

WHEREAS, the Grantee and A.I.D. (the "Parties") entered into a Project Grant Agreement (the "Agreement") on June 29, 1989 whereby the Parties agreed to undertake a project to construct a new Judicial and Legal Services Complex in St. Kitts; and

WHEREAS, the Parties now wish to revise the Agreement in several respects.

THEREFORE, the Parties agree to amend the Agreement as follows:

1. Article 3: Financing

- a. Section 3.2 (b). Delete "(US\$50,000)" and in lieu thereof insert "approximately US \$950,000".
- b. Section 3.3(a). Delete "September 30, 1991" and in lieu thereof insert "August 1, 1993".

2. Article 4: Conditions Precedent to Disbursement

Delete Section 4.3 in its entirety and in lieu thereof insert the following new Section 4.3:

If the Invitation for Bid documents referred to in Section 4.1(e) have not been approved by A.I.D. and issued to prequalified firms by November 30, 1991, or if all of the conditions precedent specified in Section 4.1 have not been met by March 15, 1992, or such later date(s) as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

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3. Article 5: Special Covenants

New Section 5.4 is added, as follows:

The Grantee agrees that, notwithstanding the estimated contribution of the Grantee stated in Section 3.2(b), it will be responsible to pay any and all costs required for the construction of the judicial and legal services complex which exceed the amount of the Grant. In order to secure such payment, the Grantee agrees, at the time the construction contract is signed, to open an Irrevocable Letter of Credit in favor of the selected construction contractor. The Letter of Credit shall be in an amount equal to the difference between the contract price and \$1,200,000. The Letter of Credit will be disbursed first to pay construction costs. Of the total Grant amount of \$1,400,000, the sum of \$200,000 will be held in reserve for contingencies. Upon the completion of construction, any portion of such contingency reserve which has not been committed will be used to reimburse the Grantee. The details of the Letter of Credit payment mechanism shall be described in the Invitation for Bids referred to in Section 4.1(e) of this Agreement.

4. Annex I. Amplified Project Description

Annex I is deleted in its entirety and replaced by Revised Annex I, which is attached hereto as Attachment 1.

Except as amended hereby, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties, each acting through its duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the date first written above.

GOVERNMENT OF  
ST. KITTS AND NEVIS

UNITED STATES  
OF AMERICA

By: S. W. Tapley Seaton  
S. W. TAPLEY SEATON Q.C.  
ATTORNEY GENERAL

Larry T. Armstrong  
Larry T. Armstrong  
Acting Director

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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 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 selected construction supervision services required for the construction of a new complex 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 & E services. Design work commenced in July 1989 and was completed in August, 1991.

II. The Project:

This Agreement obligates a portion of the 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 include or provide offices for the Attorney General, Court Magistrates, Registrar, a law

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(November, 1991)

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 was initially estimated to be sufficient to meet the cost of construction. However, the GOSKN now estimates that the cost of construction will exceed this amount.

The GOSKN understands 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. 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.

In order to secure payment of its share of the cost of construction firm, the GOSKN has agreed to open an irrevocable letter of credit in favor of the construction firm (to be selected) at the time the construction contract is signed. The amount of such letter of credit shall be the difference between the actual contract amount and US \$1,200,000.

The GOSKN also will provide the financing to acquire the necessary equipment, supplies and furnishings for the new facility from its own resources.

It is estimated that the construction activity will be of 19 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.

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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 Dates</u>
RFTP distributed	Completed
Proposals submitted	"
Proposals ranked	"
Host country contract with A & E firm executed	"
Contractor presents preliminary design report	"
First design report reviewed and approved	"
Contractor submits final report	"
Final design report reviewed and approved	"
Preparation of Bill of Quantities and draft IFB documents	September 18, 1991
Completion of Final IFB documents	November 15, 1991
Construction supervision initiated	April, 1992
Construction supervision completed	September, 1993
<u>2. Construction Services</u>	
IFB issued to prequalified construction contractors	November 30, 1991
Bids evaluated and ranked	January 15, 1992
Host country contract negotiated and signed	February 15, 1992
Construction contractor commences mobilization	March, 1992
Construction starts	April, 1992
Construction completed	August 1993

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**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 its Superintendent of Public Works to manage the construction supervision phase of the project. The Superintendent of Public works will provide day-to-day supervision and guidance to the construction contractor and obtain assistance from the A&E firm on a regular basis.

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

*Architect Engineering Design	USAID	GOSKN
& Construction Supervision -	\$ 225,000	\$51,000
Construction -	1,200,000	900,000**
Contingency -	<u>200,000</u>	<u>- -</u>
	<u>\$1,625,000</u>	<u>\$951,000</u>

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

\*\*Estimate. Actual contribution will depend on contract amount.