

CABINET AGENDA ISSUES – 24 JUNE 2019

The House is asked to note the following matters which were considered by the Cabinet at its meeting held on 24 June 2019:

1. Contracts;
2. Legislation;
3. Annual Reports;
4. Board Appointment;
5. Re-establishment of the Jamaica Energy Council;
6. Redevelopment of the Garmex Free Zone and Commercial Complex;
7. Hosting of International Meetings; and
8. Reports.

Each matter shall be elaborated on in turn.

1. Contracts

(i) Procurement Arrangement for Bulk Fuel Supplies to Ministries, Departments and Agencies of Government

Cabinet approved the establishment of a framework agreement with eligible petroleum marketing companies, for the supply of bulk fuel at fixed margins to Government Ministries, departments and agencies for the period 1 July 2019 to 30 June 2021.

The rates agreed included an increase of \$0.71 on the current haulage rates from \$2.94 to \$3.65, and an increase of \$0.47 on the current margins from \$2.26 per litre on Petrojam's ex-refinery price to \$2.73 above Petrojam's ex-refinery price.

(ii) Extension and Variation of Contracts for the Supply of Pharmaceuticals to the National Health Fund

Cabinet approved the extension or variation of 23 contracts for the supply of pharmaceuticals for a period of 12 months, as follows:

SUPPLIERS	Original Contract Sum (24 Months)	Proposed Variation (12 Months)
Facey Commodity Limited	US \$4,845,522.96	US \$3,500,000.00
T.S. Pharm Inc.	US \$2,899,853.50	US \$1,100,000.00
Lasco Distribution Limited	US \$2,700,656.90	US \$1,700,000.00
Indies Pharma Limited	US \$1,706,935.85	US \$1,080,000.00
Apotex Inc.	US \$1,700,853.00	US \$1,400,000.00
Cari-Med Limited (Bid1)	US \$1,690,048.50	US \$1,700,000.00
Medical Products	US \$1,471,237.42	US \$900,000.00
Ethnor Del /Janssen Cilag	US \$1,248,178.70	US \$1,400,000.00
Baxter Sales and Distribution	US \$1,104,886.20	US \$650,000.00
Cari-Med Limited (Bid2)	US \$1,071,961.76	US \$350,000.00

SUPPLIERS	Original Contract Sum (24 Months)	Proposed Variation (12 Months)
Lasco Distribution Limited/ Cipla	US \$1,059,307.97	US \$700,000.00
Eli Lilly	US \$1,014,300.00	US \$630,000.00
Facey Commodity/PR Pharma	US \$944,554.61	US \$280,000.00
Glaxo Smithkline	US \$869,578.15	US \$765,000.00
T. Geddes Grant DR Reddys	US \$750,344.30	US \$370,000.00
Intas Pharma	US \$737,432.45	US \$500,000.00
Massy Distribution Limited/ Sanofi	US \$620,322.44	US \$900,000.00
Renal Dynamics LLC Drugs	US 618,728.50	US \$660,000.00
Massy Distribution Limited /Novo	US \$554,677.20	US \$350,000.00
InterCommercial Distribution Limited	US \$515,925.74	US \$205,000.00
T. Geddes Grant	US \$507,805.87	US \$350,000.00
Medimpex W.I. Limited	US \$478,404.90	US \$360,000.00
Recharged Distribution Limited	US \$403,020.00	US \$170,000.00
TOTAL	US \$29,514,536.92	US \$20,020,000.00

Due to unavoidable delays in the commencement of new procurement arrangements for pharmaceuticals, current suppliers have been asked to extend or vary their current contracts for a period of twelve (12) months up to 31 August 2019.

(iii) Renewal of Sole Source Retainer Contract for Universal Oil Products Retainer Fees

Cabinet approved the renewal of the sole source retainer contract between Honeywell UOP and Petrojam Limited, in the amount of US\$106,345.01, for retainer fees for the two-year period December 2017 to November 2019.

Honeywell UOP has exclusive rights in respect of the goods (catalyst) that they provide to Petrojam Limited. Accordingly, a service agreement between the company and Petrojam was executed in 1983 and has continued to the present. This procurement represents the most recent renewal of the service agreement.

(iv) Engagement of the Inter-American Development Bank as Lead Transaction Advisors, Public-Private Partnership Transaction for the Caymanas Special Economic Zone Development

Cabinet approved the engagement of the Inter-American Development Bank, as lead advisors for the structuring and implementation of a Public-Private Partnership transaction for the Caymanas Special Economic Zone (CSEZ) development, on the Caymanas Economic Development Area South lands, in order to establish a manufacturing/commercial zone; and the expenditure of US\$245,000.00 by the Development Bank of Jamaica in order to facilitate the CSEZ Transaction.

The CSEZ will be one of the flagship projects under the Jamaica Global Logistics Hub Initiative and will be strategically located with access to the Port of Kingston.

2. Legislation

The Custom Act, 2019

Cabinet gave approval for the Bill entitled "The Custom Act, 2019" to be introduced in the Houses of Parliament.

The Bill seeks to repeal and replace the existing Customs Act to modernise customs practices and procedures, through the observance and implementation of international best practices and standards, and to assist the Jamaica Customs Agency in the execution of its mandate to facilitate legitimate trade, protect Jamaica's borders and collect revenue.

3. Annual Report

Cabinet noted the Annual Report for the National Health Fund for the Financial Year 2016/2017.

The Report will be tabled in Parliament.

4. Board Appointments

(i) Jamaica Council for Persons with Disabilities

Cabinet approved the appointment of Mrs. Patricia Sinclair McCalla as Chairman, and Miss Gloria Gofie as Deputy Chairman of the Advisory Board, with effect from 24 June 2019 to 26 August 2020, when the tenure of the Advisory Board will expire.

(ii) Jamaica Cultural Development Commission

Cabinet approved the appointment of the following persons for a period of three years, with effect from 24 June 2019 to 23 June 2022:

- 1) Ms. Mexine Bisasor – **Chairman**;
- 2) Mr. George Ledgister – **Deputy Chairman**;
- 3) Mr. Kenneth Shaw;
- 4) Mr. Silvera Castro;
- 5) Mr. Orville Hill;
- 6) Mr. Dennis Archer;
- 7) Mr. Dennis Messias;
- 8) Ms. Cindy Breakspeare;
- 9) Mrs. Dorothy Carter-Bradford;
- 10) Ms. Pauline Reynolds;
- 11) Mrs. Glennette Sinclair;
- 12) Mr. Vernon Darby;
- 13) Ms. Gianna Fakhourie;
- 14) Councillor John Myers;
- 15) Dr. Michelle Charles;
- 16) Ms. Patricia Reid;
- 17) Ms. Belinda Williams;
- 18) Mr. Vishu Tolan;
- 19) Mr. Phillip Clarke;
- 20) Ms. Suzette Morris;
- 21) Colonel Ferron Williams;
- 22) Miss Nicole Hoo Fatt;

- 23) Ms. Patricia Ricketts;
- 24) Mr. Godfrey George Watson;
- 25) Ms. Carole Guntley;
- 26) Ms. Nancy McLean; and
- 27) Ms. Novelette Howell.

(iii) National Library of Jamaica

Cabinet approved the appointment of the following persons for a period of three (3) years, with effect from 24 June 2019 to 23 June 2022:

- 1) Ms. Joy Douglas – **Chairman**;
- 2) Ms. Lydia Rose – **Deputy Chairman**;
- 3) Professor Edward Baugh;
- 4) Mrs. Dawn Henry;
- 5) Father Michael Allen;
- 6) Dr. Paulette Kerr;
- 7) Ms. Justine Henzell;
- 8) Mr. Nicholas Graham;
- 9) Mr. Rolforde Johnston;
- 10) Mr. Vivian Crawford – *ex officio*; and
- 11) Mrs. Beverly Lashley – *ex officio*.

(iv) Petrojam Limited

Cabinet approved the appointment for the following persons to the Board, for period of two (2) years, with effect from 24 June 2019 to 23 June 2021:

- 1) Mr. Paul Hoo – **Chairman**;
- 2) Ms. Rosemarie Pilliner;
- 3) Mr. Wayne Powell; and
- 4) Ms. Sandra Buchanan.

5. Re-establishment of the Jamaica Energy Council

Cabinet approved the re-establishment of the Jamaica Energy Council and the appointment of the following persons as members of the Council:

- 1) Hon. Fayval Williams – **Chairperson**;
- 2) Mr. Phillip Paulwell;
- 3) Ms. Cheryl Martin-Tracy;
- 4) Mr. Yaneke Watson;
- 5) Mr. Aayon Cruickshank;
- 6) Mr. Courtney Laidlaw;
- 7) Mr. Dane Guthrie;
- 8) Ms. Seveline Collins;
- 9) Mr. Emanuel DaRosa;
- 10) Mr. Alex Hill;
- 11) Mr. Trevor Heaven;
- 12) Ms. Berletta Forrester;
- 13) Mr. Edison Galbraith;
- 14) Ms. Ava Tomlin;
- 15) Ms. Ingrid Christian Baker;

- 16) Professor Noel Brown;
- 17) Mr. Errol Alberga;
- 18) Mr. Hopeton Heron; and
- 19) Mr. John Preston.

The National Energy Policy, 2009-2030, calls for the establishment of a high level, broad-based and effective Jamaica Energy Council.

6. Redevelopment of the Garmex Free Zone and Commercial Complex

Cabinet approved the full redevelopment of the Garmex Free Zone and Commercial Complex over a period of three to five years, which will involve the construction of 15 new buildings totalling approximately 360,000 square feet, and the vertical expansion of the existing buildings, situated with its south western boundary abutting the Marcus Garvey Drive, and its north eastern boundary abutting the Industrial Terrace.

Cabinet also approved the expenditure of \$556,702,838.00 for Phase 1 of the overall redevelopment project, which was slated to be completed within 15 to 18 months from the cash resources of the Factories Corporation of Jamaica, and which would involve the construction of three warehouses having an approximate floor area of 5,580 metres square with supporting infrastructure including roadways, landscaping and drainage.

The redevelopment will provide additional space and the necessary support facilities required by businesses eligible to be in the zone; provide additional employment opportunities, notably, part-time and permanent employment for approximately 200 persons.

7. Hosting of International Meetings

(i) XXV Seminar on the Harmonisation of Registration and Control of Veterinary Drugs

Cabinet approved Jamaica hosting of the XXV Seminar on the Harmonisation of Registration and Control of Veterinary Drugs during the period 23 to 27 September 2010.

Hosting this Seminar will demonstrate Jamaica's commitment to the implementation of international standards and guidelines for veterinary medical products.

(ii) World Free Zones Organisation 7th Annual International Conference and Exhibition 2021

Cabinet approved the Jamaica Special Economic Zone Authority (JSEZA) submission of a bid to host the World Free Zones Organisation (World FZO) 7th Annual International Conference and Exhibition to be held in the year 2021 in Montego Bay, Jamaica.

The JSEZA is a voting member of the AICE and its membership recognised as being governmental, with an interest in the development and promotion of Special Economic Zones across the country. The World FZO is a global not-for-profit organisation whose aim is to build awareness among free zone members for the purpose of business development and build a comprehensive database for the development of free zones.

(iii) 65th Meeting of the United Nations World Tourism Organisation Commission for the Americas and Global Summit on Innovation, Resilience and Crisis Management

Cabinet approved Jamaica hosting the 65th meeting of the United Nations World Tourism Organisation Regional Commission for the Americas and the First Global Summit on Innovation, Resilience and Crisis Management at the Montego Bay Convention Centre, Jamaica in May 2020.

Hosting these events will provide an opportunity to highlight the work of the Jamaica Centre for Tourism Innovation and the Global Tourism Resilience and Crisis Management Centre.

8. Reports

(i) Ministry of Education, Youth and Information Report on Good Governance and Areas Targeted for Improved Efficiency

Cabinet considered a report from the Ministry of Education, Youth and Information in connection with a Special Report outlining approaches being implemented to effect good governance within the Ministry of Education, Youth and Information and its portfolio agencies and the main areas targeted for improved efficiency.

The report advised that the Ministry of Education, Youth and Information, to ensure transparency and accountability in the use of government resources, had implemented various strategies to ensure compliance with, and adherence to various Acts and Regulations for effective operations of its core programmes and responsibilities.

The Special Report outlined various strategies and management tools, such as establishment of new procedures for procurement, operational plans and budget; establishment of Agency Oversight Committees; auditing of educational resources; and the development of a new textbook management application, to effect checks and balances and to cauterise identified weaknesses within the system.

(ii) International Ministerial Conference on Oceans Meeting held in Lisbon, Portugal

Cabinet considered a report from the Office of the Prime Minister in connection with the International Ministerial Conference on Oceans governance held in Lisbon, Portugal during the period 16 to 17 May 2019.

The report advised that the main points highlighted at the conference were: climate change and the threat to the ocean; governance against plastic pollution and over fishing; the ocean as a major source of resources; and improving the reliance on renewable energy responsibly; and that the three main issues of focus for solutions were political will; targets and plans of action; and funding climate change mitigation through technology, jointly with private sector and civil society.

(iii) Official Visit of Minister of Foreign Affairs and Foreign Trade to the Kingdom of Norway

Cabinet considered a report from the Ministry of Foreign Affairs and Foreign Trade in connection with the official visit of Minister of Foreign Affairs and Foreign Trade to the Kingdom of Norway during the period 23 to 25 April 2019.

The report informed that the visit was within the context of efforts by the Government of Jamaica to further raise the profile of the nation, thereby generating interest and opportunities in trade and investment, cooperation in renewable energy and pursuing institutional partnerships, particularly in the maritime sector, as well as support to research and development activities; and the aim of the visit was to establish the Jamaica/Norway bilateral consultations mechanism, hold discussions on bilateral, regional and international issues of mutual interest and engage with private sector representatives and institutions.

The report advised that the Minister had signed a Memorandum of Understanding on the Establishment of Bilateral Consultations between the Government of Jamaica and the Government of the Kingdom of Norway; participated in the Inaugural Round of Bilateral Consultations; and had engagements with several other Norwegian Government officials and with the Jamaican community in Oslo.

The Honourable House is asked to note the foregoing.



Andrew Holness, MP
Prime Minister
30 July 2019

