



# Early Market Engagement

Supply and Distribution of Fuel in  
and across Montserrat

## ABSTRACT

This document is published by the Government of Montserrat (GOM) as an Early Market Engagement (EME) exercise to inform the GOM of the capability of the market in relation to the supply and distribution of fuel in and across Montserrat; and to ascertain the level of interest from potential suppliers in the provision and distribution of fuel to, and across Montserrat.

Government of Montserrat

07 November, 2022

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# 1 INTRODUCTION

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## 1.1 PURPOSE OF THIS DOCUMENT

This document is published by the Government of Montserrat (GOM) as an Early Market Engagement (EME) exercise to inform the GOM of the capability of the market in relation to the supply and distribution of fuel in and across Montserrat; and to ascertain the level of interest from potential suppliers in the provision and distribution of fuel to, and across Montserrat.

The information contained herein is confidential and must not be used for any purpose other than that connected with this process. This EME document does not constitute a commitment, implied or otherwise, that GOM will advance any further processes in relation to this matter. GoM will not be responsible for any costs incurred in furnishing and submitting responsive information.

GOM is interested in understanding the current availabilities, flexibilities, and preference of market participants interested in providing a proposal and will share any relevant information that is available, and is not commercially sensitive, in-confidence and does not provide any unfair advantage.

## 1.2 DISCLAIMER

This request for submissions as part of this EME process is not an offer by the GOM, but an invitation to receive responses from eligible interested respondents, that will inform the way forward for the supply and distribution of fuel in and across Montserrat. No contractual obligation whatsoever shall arise from the EME process unless and until a formal procurement exercise is undertaken, and a contract is executed between the GoM and the successful supplier arising out of such a process.

The GOM reserves the right to accept or reject any interest expressed and to annul the entire Early Market Engagement exercise, without incurring any liability whatsoever to any applicant.

## 1.3 CONFIDENTIALITY

GOM recognizes that certain information submitted in response to the EME, may be considered confidential, as permitted by the applicable law, and will treat as confidential any information clearly labelled as such. If GOM is formally requested or required by any regulatory or judicial authority, or is otherwise required by law, to disclose information with regard to the EME response, GOM will disclose such information in accordance with applicable laws and regulations.

## 1.4 COMMUNICATIONS

All communications should, be sent by email to:

<b>Name</b>	<b>Anne Thomas</b>
<b>Title</b>	<b>Senior Procurement Officer</b>
<b>Telephone</b>	<b>1 664 491 2777</b>
<b>Email</b>	<a href="mailto:procurement@gov.ms">procurement@gov.ms</a>

Respondents are required to respect the confidentiality of the process and must not seek to gain advantage by discussing this process or any potential bid with the Press, any UK or GOM official involved in the process or the UK Department for International Development (DFID) and the Foreign Commonwealth Office (FCO). Under no circumstances should direct contact be made with anyone else regarding this process without the prior arrangement or agreement of the GOM Procurement Department. Failure to observe this confidentiality may result in disqualification from the future tender process.

## 2 BACKGROUND: GENERAL

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### 2.1 BACKGROUND - MONTSERRAT

Montserrat is a mountainous island in the Lesser Antilles chain of islands nestled between Antigua and Barbuda, St Kitts and Nevis and Guadeloupe with a population of 4,626 (2020 estimate). Montserrat is located approximately 300 miles east southeast of Puerto Rico and 30 miles southwest of Antigua. It comprises 40 square miles, built almost exclusively of volcanic rocks and is comfortably padded by green, lush vegetation.

In the formative years and at the peak of Montserrat's development, there were three (3) major fuel providers, namely: Delta Petroleum Limited, Texaco and Shell. At this point, the island had a population averaging 14,000. In 1997, the eruption of the Soufriere Hills Volcano resulted in the devastation of critical infrastructure, dislocation of the population and rendered a portion of the island as uninhabitable.

The destruction caused by the volcano resulted in the departure of two (2) fuel providers. From the early 2000s until present, Delta Petroleum (Montserrat) Ltd has been the exclusive/sole provider of fuel in Montserrat.

### 2.2 GOVERNMENT OF MONTSERRAT

Montserrat is an internally self-governing overseas territory of the United Kingdom executed through a Governor appointed by the British Monarch and led by the Premier as the Head of Government along with four (4) Ministers.

The constitution provides for a governance process consisting of a Cabinet and a Legislative Assembly. Cabinet consists of the Governor, the Premier, Ministers, the Attorney General and the Financial Secretary. Legislative Assembly is made up of eleven (11) seats. Nine (9) members are elected to serve a five-year term, with the Attorney General and Financial Secretary as the official Government representatives. Elections are held once every five years. Following a public vote (the elections) the leader of the majority party, usually becomes the Premier. Government operations are delivered from Headquarters which are located in Brades in the north western end of Montserrat.

### 3 OBJECTIVE

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This Early Market Engagement document is being published to obtain information from industry players to inform the next steps and the options available in the market for the supply and distribution of fuel products to Montserrat.

### 4 INSTRUCTIONS AND INFORMATION

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This Early Market Engagement should not be construed as a commitment by the Government of Montserrat to contract with any particular Company. These instructions are designed to ensure that equal and fair consideration is given at all times. It is important therefore that interested companies provide all the information requested.

Issue and publish EME	10 <sup>th</sup> November 2022
Deadline for receipt of clarifications	25 <sup>th</sup> November 2022
EME submission deadline	02 <sup>nd</sup> December 2022
Completion of EME evaluation	January/February, 2023

*Table 1: Timetable: this is an indicative timeline and maybe subject to change.*

### 5 KEY FACTORS FOR INCLUSION IN SUBMISSION

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Interested companies should include information relating to the following factors in their submissions:

- Infrastructure and other cost requirements for establishing a bulk station/fuel depot in Montserrat.
- Their ability to operate in an open market with more than one (1) fuel provider. Justifications should be provided and substantiated.
- The fuel products which can be made consistently available in Montserrat
- The minimum number of years the company would wish to serve Montserrat in regards to the supply and distribution of fuel
- The extent of land space which would be required to operate the fuel depot
- Mobilization period to commence operations and factors which would impact on this
- Other islands where the company currently operates and the length of time serving those markets
- Estimated freight per gallon for white oils and LPG
- Likely margins for gasoline, diesel and LPG

### 6 CONTENT OF SUBMISSION

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All information shared with GOM referencing this EME must be submitted via email.

After reviewing responses, GoM may request additional information or may schedule individual meetings with any respondent to gain additional information on their proposals.

Submissions should include more than general marketing content; in particular:

- A. A cover letter;
- B. Acknowledgement of each item listed above in Section 5- *Key Factors for Inclusion in Submission*;
- C. Respondent's relevant history and capabilities both technical and financial;
- D. Outline of the respondent's products and services, and;
- E. Any other relevant information related to Section 3- *Objective*.

## 7 MARKET CONSIDERATIONS

	Market Factors	Description	Notes
1	Population	4,626	As at 2020
2	Land Area	16 km long and 11 km wide	
3	Avg Number of Vehicles	3,000	As at 2021
4	Number of Petrol Stations	2	
5	Avg Fuel Imports per year	Gasoline: 812,351 (IMP Gallons) Diesel: 1,624,264 (IMP Gallons) LPG: 871,088 (Lbs)	As at 2021
6	Current Fuel Provider	Delta Petroleum (Montserrat) Ltd	Since 2002
7	Price Build-up	<ul style="list-style-type: none"> <li>➤ CIF + Consumption Tax + Service Tax = Landed Cost</li> <li>➤ Landed Cost + Dealer's Margin = Whole Sale Price</li> <li>➤ Whole Sale price + Retailers; Margin = Retail Price</li> </ul>	Prices are calculated and issued by the Government of Montserrat
8	Avg annual consumption- Montserrat Utilities Ltd	Diesel: 825,384 (IMP Gallons)	As at 2021
9	Current Grades of Fuel offered	<ul style="list-style-type: none"> <li>➤ Regular &amp; Premium Gasoline</li> <li>➤ High and Low Sulphur Diesel</li> <li>➤ Ultra Low Sulphur Diesel</li> <li>➤ Liquefied Petroleum Gas (20, 22 and 100lbs)</li> </ul>	
10	Current Duties and Taxes	<ul style="list-style-type: none"> <li>➤ Gasoline: Duty- 0%; Consumption Tax 35%; Service Tax- 0%</li> <li>➤ Diesel: Duty- 0%; Consumption Tax 20%; Service Tax- 0%</li> <li>➤ LPG: Duty- 0%; Consumption Tax 15%; Service Tax- 0%</li> </ul>	

## 8 PARTICIPATION

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Submissions must be made by, or on behalf of, the potential provider of the services.

## 9 RETURN OF SUBMISSIONS

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Submissions must be returned by 12.00 midday Eastern Caribbean time, 1600 hrs. UK time on the 02<sup>nd</sup> December 2022.

Submissions must be sent to Procurement Department via email at [procurement@gov.ms](mailto:procurement@gov.ms)