



GOVERNMENT OF BERMUDA

The Ministry of Finance

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Ministry of Finance Headquarters

**Ministerial Statement**

To the House of Assembly

By

**The Hon. Everard T. Richards, JP, MP**

Minister of Finance

**Appraisal of Bermuda Airport Redevelopment Project**

Date: 22<sup>nd</sup> May, 2015

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**Mr. Speaker,** I rise today to advise Honourable Members of the completion of an independent appraisal of the method of procurement for the redevelopment of the L.F. Wade International Airport using the Canadian Commercial Corporation (CCC). The final report was tabled in this Honourable House today.

**Mr. Speaker,** in order to improve the value of this unique proposal, and recognizing the anxiety in the public domain with regard to the proposal, the Ministry of Finance, in conjunction with Her Majesty's Government in London (represented by the Foreign and Commonwealth Office (FCO)), engaged the services of Deloitte, following a competitive tendering process, to conduct an independent appraisal of the method of procurement for the redevelopment of Bermuda's airport using the CCC. The purpose of this engagement was to evaluate the business case, value for money and affordability of the existing proposal and to provide a high-level cost effectiveness opinion for the proposal being put forward.

The engagement was commissioned in March 2015 and also assessed whether the existing analysis and documentation on the proposed Bermuda Airport Development was sufficient to support an investment decision based upon HM Treasury's Green Book guidance for the evaluation of public sector spending proposals.

**Mr. Speaker,** it is important to note that HM Treasury's Green Book's prescriptions assume a competitive bid process and that the Bermuda Government is not obliged to follow "Green Book" standards. However the Green Book guidance is some of the highest in the world with regard to public sector procurement, so we shall use the findings of the Deloitte report to enhance the project moving forward. Considering where we are in the process, the findings in the report are not surprising and we still have opportunities to close the gaps identified in the Deloitte Report before entering into any contracts. The Government is certain that the Deloitte Report will add substantial value to the project, both by improving Value for Money for the Government of Bermuda, and by further reducing risk.

**Thank you, Mr. Speaker**