

**WRITTEN QUESTION TO THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES BY
DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 24th MARCH 2009**

Question

Given the world recession and the failure of many commercial enterprises what assurances can the Minister give that, in the event of the main contractor or sub-contractors of the Energy for Waste plant going into liquidation, they will be able to fully recover the money they have paid out on this contract or see the plant completed at no additional cost to the States quoting precisely the contractual terms in this regards.

Answer

The Contract includes Parent Company Guarantees with both joint venture partners within CSBC (Jersey) Limited. One guarantee is with the CNIM main parent company (for the entire Engineering Procurement and Construction Contract value) and the other is with Spie Batignolles Camerons (for the civil element in the event that CNIM also went out of business) which would be recoverable in the event that the Contractor, CSBC (Jersey) Limited, went into liquidation. The financial position of all tenderers and their parent companies were considered and factored into the final evaluation of the tenders received.

The Contractor - CSBC (Jersey) Limited would be liable under the contract for any of the sub-contractor's liquidation implications.

An on-demand Performance Bond and an on-demand Advance Payment Bond (which reduce at key stages in the project) have also been provided from Credit Lyonnais SA. The on demand Advance payment bond ensures that the States maintains a cost neutral position throughout the construction period.