

STATEMENT
ON THE SCRAP METAL CONTRACT
WITH
MATRIX INTERNATIONAL, INC.
BY
THE HONOURABLE
V. ARDEN MCLEAN, JP
MINISTER OF COMMUNICATIONS,
WORKS AND INFRASTRUCTURE
28 November 2007

Madam Speaker, for the past couple of weeks there has been a lot of discussions, stories and statements made about the Scrap Metal Removal Contract between the Government, in particular the Ministry of Communications, Works, and Infrastructure and Martix International, Inc.

On Thursday 22 at the adjournment of this Honourable House the Leader of the Opposition in his usual bullying and belligerent manner raised a matter and proceeded to question the Government and me on the status of the contract. He went on to say that the local contractors had tried to convene a meeting with myself but failed. I refuted that untruthful assertion then and I do so now. Prior to November 22 I had only discussed the matter with one contractor who was seeking advice which I gave as a friend. I have since discussed the matter with one other and offered like advice.

Madam Speaker, it is not that I oppose the Leader of the Opposition asking questions on the country's business, what I have difficulty with is the manner in which his questions are often asked.

The Leader of the Opposition knows that there are questions pending and I am required by Standing Orders to reply and he is not at liberty to pre-empt matters set down for the current sitting of Parliament.

It appears that his attempt is to try to make the people of this country think that I am involved with something untoward with the contract between the Government and Matrix International Inc.

Madam Speaker, the Leader of the Opposition must learn to pick his fights better, I am not going to settle for his trying to accuse me of any wrong doing and I will reply every time. The Leader of the Opposition's intensions are clear, he seems to think that he is a master illusionist versed in the art of "misdirection" with the intent of making the country pay attention to one or more of us with the desired result of not paying attention to his shortcomings.

Madam Speaker I am here to tell the Leader of the Opposition that his modus operandi will not work on me. I have served this country, and in particular the people of East End, for the last 6 years and no one can accuse me of any intentional wrong doing, least of all him. He must therefore exert his energies in defending accusations aimed at him. I do

not believe that this country will be fooled by his antics. The people have the innate ability to measure us all. After all they were the ones who conducted that measurement in the first place. The results of the last elections proved my point.

Madam Speaker, before we go any further, I think it would only be prudent to advise this Honourable House and the people of this country of the following facts:

Madam Speaker, from my last statement made in this Honourable House on 5 March 2007, I outlined the following.

- The invitation to bid on the scrap metal removal contract was first advertised on 6 November 2006 and closed on 24 November 2006;
- As I understood, at the 1 December 2006 sitting of the Central Tenders Committee (CTC,) the sealed bids were opened. All names and amounts tendered were logged at this stage;
- As is customary for the CTC, the bids were referred to the Ministry for its recommendations;
- The Departmental Tenders Committee (DTC) of the Ministry then evaluated the bids on 8 December 2006, based on the usual benchmarks of
 - proof of financing,

- experience,
 - price tendered,
 - timeframe for completion,
 - payment terms; and
 - equipment availability.
- Based on the bids submitted, the DTC was unanimous in its recommendations and submitted these to the Chairman of the CTC on 12 December 2006; The CTC in turn accepted the recommendations at its sitting of 15 December 2006; and the contract was awarded shortly thereafter.

On 19 March 2007, the Government, via the Ministry of Communications, Works, and Infrastructure and the Department of Environmental Health, entered into a contract for the removal of scrap metal from the George Town Landfill with Matrix International Inc., who was operating within these Islands as Matrix International Ltd.; Matrix International Ltd. is a locally incorporated company with a majority Caymanian ownership.

The Term of Contract has always been for 12 months starting from the date the contract was signed, i.e. 19 March 2007.

Madam Speaker, in a Cayman Net News article on Thursday 22 November 2007 it was reported that “The contract... was *granted* to Matrix International by the Cayman Islands Government as opposed to a local Caymanian company that had bid only \$50,000 less than Matrix’s \$1.25 million.”

It would appear that the Editor of the Cayman Net News does not listen very well or has no time to conduct proper and thorough research of any topic. If so, instead of reporting that the contract was granted to Matrix International by the Cayman Islands Government, the editorial should have read that the contract was awarded by the CTC. If that Editor was a good journalist he would also have reported that the membership of the CTC consists of two government employees (one of which is the Chairman) and six other private sector individuals. Madam Speaker, given those ratios it can hardly be said that the public sector, including the Ministry, awarded this contract. The CTC, its protocols, processes and procedures have been in place for quite a long time Madam Speaker, and far be it from me to cast a shadow over, or question its decisions.

However, some persons appear to have no reservations about doing such.

If the Editor of the Cayman Net News had conducted proper and thorough research, instead of reporting that the contract had gone to Matrix “as opposed to a local Caymanian company”, the editorial would have read that Matrix International Ltd. is a local company with a majority Caymanian ownership.

Madam Speaker, on Monday 26 November 2007 there was an article in the Caymanian Compass reporting that the Leader of the Opposition had asked me, and I quote “Can the Government at least commit to meet with the owners of these Caymanian companies.” He was referring to the subcontractors who were working along with Matrix International Ltd.

Madam Speaker, I have not refused to meet with the sub-contractors and will do so whenever asked. However, I should add that the sub-contractors are contracted by a duly registered Caymanian owned

company and it is not prudent for this, or any other Government to interfere with the running of any private company.

Madam Speaker, I cannot enumerate the many times either myself, or the staff of the Ministry, queried the management of Matrix International Ltd. on whether the subcontractors working along with them were being looked after, i.e. were being paid regularly or in accordance with some agreed payment schedule. On every occasion we were assured by the management of Matrix International Ltd. that this was so.

Madam Speaker, the welfare of these sub-contractors has been the only other principal concern of this Government throughout this entire contract. Although the Government was not present when these companies agreed to work with Matrix International Ltd., concerns over their welfare has always been at the forefront of our minds. In fact, at each meeting with the principals of Matrix International Ltd. we were told that the major reason they were unable to keep to the agreed

payment schedule as per the contract was that they had to continue paying their subcontractors in order to keep the business running.

As I see it Madam Speaker, and from what I just mentioned, the Government may be the only entity that appears to be looking out for these sub-contractors that have outstanding invoices against Matrix International Ltd. I say that because the Leader of the Opposition, the Editor of the Cayman Net News, and a few others seem to be saying that the Government should move forward by hiring another company to complete the works to remove the scrap metal.

I certainly have not heard that there is a company or entity out there that is willing to settle the amounts currently owed to the subcontractors by Matrix International Ltd. and continue the contract, but if there is one, perhaps it should come forward. Madam Speaker, the Government is still searching for the best way forward in order to satisfy all interested parties, including the aggrieved subcontractors, the Government (and by extension the people of this country), and the shareholders of Matrix International Ltd.

The propositions offered by some are not true, equitable solutions to these issues but merely political posturing. The Leader of the Opposition may be trying to paint himself as some kind of saint or saviour, but he does not offer any equitable solution(s) to these issues and he seems hell-bent on wanting the Government to enter into a scrap metal removal contract with some other entity. Why? What he fails to comprehend Madam Speaker is that, by going down THAT avenue, little or nothing may go toward those persons and companies already owed money by Matrix International Ltd.

Madam Speaker, the Ministry staff and I are currently in discussions with the principals of Matrix International Ltd. In an effort to assist with alleviating some of the difficulties they are experiencing in order to get this contract back on track in the interest of all concerned.

Madam Speaker, in addition to the Scrap Metal Contract much has been said about the management of solid waste in general. In particular, on the need to have a comprehensive plan in place to handle the ever increasing problem. Madam Speaker, please allow me to again update the country on efforts made on that front.

Madam Speaker, in February of this year the Government through my ministry announced the creation of a Solid Waste Strategic Management Committee. This committee includes members of this Honourable house and senior Civil Servants and its terms of reference include making recommendations on the way forward for the most suitable solid waste management strategies and procedures as they relate to waste to energy, waste reduction, reuse and recycling in the Cayman Islands.

Madam Speaker, I am proud to report that this committee has made much progress in this endeavour. It has thus far made recommendation on the reorganization of the 3 landfills in the country, met with major importers and produced a report on an education and public relation strategy.

Further Madam Speaker, as a result of recommendations by this committee, the Government recently engaged consultants to provide assistance in the following areas:-

Waste to Energy and Transfer Station Design, Construction and Operations Service.

Landfill Service and

General Solid Waste and Recycling.

Madam Speaker, as members are aware there is a meeting scheduled for later today to update this honourable house on the activities of this committee, and the progress of the consultancy.

Madam Speaker, I can assure the people that my Ministry is working tirelessly to address the many issues surrounding solid waste management in the country.

We have made much progress to date and while there is much to be done I have every confidence that we will succeed in addressing many of the solid waste management issues facing our country. I am very grateful for the stalwart efforts of the many civic minded individuals and groups that have committed to this effort so far. They are too many to be

named but they know who they are. I look forward eagerly to working with them in the years to come for the benefit of these beloved Islands.

I thank you, Madam Speaker.