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18TH October, 2019.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Re: **CEPEP COMPANY SAVES TAX PAYERS 1 MILLION DOLLARS, AS JUDGE RULES ALLEGED CONTRACT TO BE NULL, VOID AND OF NO EFFECT.**

On the 17th October 2019, the Honourable Justice Rahim ordered that The Community- Based Environmental Protection and Enhancement Programme (CEPEP) Company Limited pay to Xander Contractors Limited the sum of \$1, 921, 300.00 on a quantum meruit basis for what the Court considered were refurbishment works actually done on the Talparo Health Centre. This sum was less than that of the \$2, 955, 500.00 claimed by the Contractor by claim filed on the 28th December 2017 for breach of contract.

The Honourable Justice Rahim however held that the alleged contract relied upon by Xander Contractors Limited was **'null, void and of no effect'** as he states at paragraph 178 OF HIS Judgment:

*"But it gets worse. The evidence shows that the Claimant's form of tender submitted by him is dated March 23, 2015. It therefore means that the claimant's award of the contract would have been approved by the board **before he even tendered for the job.**"*

The learned Judge then goes on to state at paragraph 182 of his Judgment:

*It follows that the **tendering process that followed was a sham**, designed to cover up the fact that **the claimant was given preference to others** in the absence of a rational basis for so doing. The type of behaviour employed by the defendant in that regard is not to be tolerated as it derogates from the established fair and transparent public process in the award of contracts funded by the national purse. Consequently, the court finds that the contract having been awarded by a process otherwise than the process by which the defendant was bound to operate and which itself was unfair to all other tenderers is **null, void and of no effect.**"*

Importantly, the Court noted that this flawed tendering process was no fault of the present Board of Directors of The CEPEP Company not the Management as stated at paragraph 224 of his Judgment:

"Finally, before disposing of the claim, the court wishes to underscore that it is not oblivious to the fact that Mr. Eddy and the new Board would have on the evidence inherited these circumstances, the fault for which cannot be laid at their feet."

The CEPEP Company Limited was represented by Mr. Farai Hove Masaisai instructed by the Law Firm of Hove and Associates, the Xander Company Limited was represented by Mr. Jagdeo Singh and Mr. Dinesh Rambally instructed by Mr. Stefan Ramkissoon.

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