

Comprehensive Concession for the Development and Operation of the Multipurpose Port of Posadas

PROVINCE OF MISIONES – ARGENTINE REPUBLIC

SUMMARY OF THE SPECIFIC TERMS OF REFERENCE

The sole purpose of this summary is to provide preliminary information to prospective interested parties, with no legal effect. Bidders will need to refer to the relevant terms of reference.

PURPOSE AND GENERAL TERMS

- Exploitation of the Posadas Port
- Bonded Warehouse
- Rates for Service Provision
- Infrastructure
- Eligibility of Bidders
- Proven Experience

ABOUT THE CONCESSION

- Investment
- Concession Term

BIDS AND ASSESSMENT

- Submission Form
- Descriptive Report and Investments
- Bid Assessment
- Evaluation Criteria

ABOUT THE POSADAS PORT

- Location and Boundaries
- General Dock Features
- Depth and Height Levels
- Works to be Performed by Grantor

PURPOSE AND GENERAL TERMS

Exploitation of the Posadas Port

The purpose of the bidding is the award of a comprehensive concession for the equipping, adaptation, maintenance, expansion, and operation of the Multipurpose Port of the City of Posadas.

The Concessionaire shall, at its own cost, perform the works and supply the equipment detailed in the terms of reference, within the terms and pursuant to the conditions set out therein.

The Posadas Port Concessionaire will be the only party responsible, during the concession term, for the services provided at the port, including:

- a) Receipt, shipment, handling, loading, unloading, and storage of cargo.
- b) Mooring and unmooring.
- c) Dock use.
- d) Consolidation and deconsolidation.
- e) Any other service intended to achieve greater efficiency and operation at the port.

Bonded Warehouse

Building a Bonded Warehouse at Posadas Port premises is mandatory under the bidding. The warehouse will be an integral part of the concession.

Rates for Service Provision

The Awardee shall charge users rates for the services provided at the port based on the values proposed in the bid.

Only the applicable value added tax can be charged in addition to approved rates. Any other tax, charge, service or expense of any kind should be included in the rate proposed.

Infrastructure

All interested parties that submit bids for this bidding will have absolute freedom to propose the infrastructure, services, rates, equipment and other facilities they deem necessary under the operation design they propose for port exploitation.

Eligibility of Bidders

Individuals and duly organized legal entities may submit bids, as well as Joint Ventures and Business Cooperation Consortia.

Proven Experience

Bidders shall have specific, proven experience in port and/or multipurpose terminal operation, this being a mandatory requirement. They shall be specialized in cargo and container handling.

ABOUT THE CONCESSION

Investment

The initial investment to be made by the concession awardee relates to the works, equipment and resources involved in the functioning and operation of the Posadas Port during the first two years of operation. Such investment is estimated within a range from AR\$60,000,000.00 (sixty million Argentine pesos) to AR\$ 250,000,000.00 (two hundred and fifty million Argentine pesos) or more, based on the value of the goods and services to be provided, features, technology, speed, handling, performance, safety of works, and equipment offered for start-up, as well as estimated operation projections.

The bidder shall prove to have the economic solvency to face the required investment.

Concession Term

The concession will be awarded for 20 years, renewable for up to 20 years more upon agreement. The decision will consider cargo volumes, the quality of the services provided, and the impact of port operation in the competitiveness of the Province's industry and economy.

The Concessionaire will pay a monthly, variable concession fee for the exploitation of the Posadas Port, as provided further below. Such fees shall have the following reductions:

- a) In order to ease the start-up of activities:
 - during the first six months of operation from the date the contract is signed, the fee will be discounted by 100%
 - During the following twelve months, it will be discounted by 50%.
- b) In order to promote cargo growth and the contribution to the competitiveness of the economy of Misiones, from the third year of operation onwards:
 - If the total annual tonnage of cargo originated from and/or going to the province were to increase by 15% as against the previous year, during the following year, the variable concession fee over total turnover will be 2.25% instead of 3%.
 - If the total annual tonnage of cargo originated from and/or going to the province were to increase by 40% as against the previous year, during the following year, the variable concession fee over total turnover will be 1.5% instead of 3%.

Concession fees will be as follows:

- a) Minimum fee: This will be the equivalent in Argentine pesos to USD4,500 (four thousand five hundred US dollars.) This fee will only be applied if the variable fee fails to reach the equivalent in Argentine pesos to USD4,500 (four thousand five hundred US dollars) irrespective of Concessionaire's turnover amounts or any other condition.
- b) Variable fee: The variable concession fee is the general fee and is set in 3% of the monthly, total turnover for every service of the Company that will exploit the Posadas Port Concession. Whenever 3% of total turnover were lower than the amount equivalent in Argentine pesos to USD4,500 (four thousand five hundred US dollars), the fixed fee set in the above subsection will be paid.

BIDS AND ASSESSMENT

Submission Form

The double-envelope system will apply. Only one bid per bidder will be received. No double or alternative bids will be accepted.

Envelope No. 1 will contain the technical, legal and economic background of the bidder and all documents required in the terms of reference.

Envelope No. 2 will contain, on the one hand, the "technical bid", specifically:

- a) Cranes to be included.
- b) Container handling and piling equipment.
- c) Proposed features for bonded warehouse.
- d) Proposed supplementary infrastructure.
- e) Other pieces of equipment and resources to be included.
- f) Human resources the bidder will hire and outsourced manpower, and estimated structure.
- g) Detailed investment and operation plans for the first five-year period, and a general plan for the entire concession term.

And, on the other, the "economic bid" which consists in the proposed rate chart.

Descriptive Report and Investments

The bidder shall submit a descriptive report that will contain the improvements to facilities, cranes and cargo mobility equipment proposed by the bidder; a description of the bonded warehouse proposed, the staff, a description and valuation of the investment to be made during the first three-year period, and any information considered to determine the quality, efficiency and safety of the services to be provided.

Bid Assessment

Bids shall be analyzed and assessed by a Bid Assessment Commission, which shall:

In connection with Envelope No. 1: Analyze the bids to determine if each bidder has the business, technical, economic, and financial capacity required. The Commission shall forward its recommendations to APPSA’s Board of Directors, indicating which bids comply with the terms set out in the terms of reference and are eligible to go into the second stage of evaluation.

In connection with Envelope No. 2: Give the scores for each of the two evaluation criteria, based on the methodology previously established, coupled with a grounded report and recommendations. It shall then forward one to three pre-awarded bidders to APPSA’s Board of Directors. The Board shall decide which bidder will be awarded the concession and shall submit its decision to the Provincial Executive Branch for approval.

Evaluation Criteria

First Evaluation Criterion for Envelope No. 2:

The score for each bid will be determined through an evaluation that will reach a total of 150 points. The highest score for each item will be as follows:

For each of the items listed below, the highest score will be given to conditions considered optimal for operation of the Posadas Port and their contribution to the competitiveness of provincial economy. Each bid will be given a score proportional to the conditions and features offered as against optimal conditions and features.

	HIGHEST SCORE
A. PROVEN EXPERIENCE:	20
B. QUALITY AND CAPACITY OF FACILITIES AND EQUIPMENT OFFERED FOR START-UP:	20
C. QUALITY AND CAPACITY OF FACILITIES AND EQUIPMENT OFFERED FOR LATER STAGES.	10
D. VALUE IN MONEY OF INVESTMENT, based on an assessment of the value of equipment, works and services, considering the following: <ul style="list-style-type: none"> - Initial investment: Investment to be made until start-up: 10 points. - Short-term investment: Investment to be made during the 24 months following start-up: 6 points. - Mid-term investment: Investment to be made between the third and tenth year of operation: 4 points 	20
E. START-UP TERM: Number of days from the signing of the contract until effective start-up of port operations and availability of services as an element of competitiveness for production from Misiones. This includes fleet availability, whether prospective awardee’s own fleet or	

through agreements with third parties. If a third-party fleet is involved, applicable contract terms will be assessed as well.

20

F. COMPREHENSIVE PLAN FOR PORT LOGISTICS DEVELOPMENT: Strategies and action proposed for the increase in cargo flow with a view to improving competitiveness for the economy and industry of Misiones and the region.

20

G. BONDED WAREHOUSE: Features, size, as well as technological and operation conditions of bonded warehouse and supplementary facilities. Scale. Non-intrusive control system.

20

H. INVOLVEMENT OF COMPANIES FROM MISIONES: Bids including companies from Misiones with capital contributed by entrepreneurs from Misiones. Scoring in this item will weigh local involvement percentages.

20

HIGHEST ACHIEVABLE SCORE IN THE ANALYSIS OF ENVELOPE NO. 2 BASED ON FIRST EVALUATION CRITERION:

150

Second Evaluation Criterion for Envelope No. 2:

The score for each bid will be determined through an evaluation that will reach a total of 150 points. The lowest highest tariffs proposed will be assessed for each port service item, with a rate chart based on the model provided.

The RATE CHART proposed as part of the bid will contain the highest values for each type of service and cargo, scoring each bid based on the analysis of the different rates in each category.

SPECIAL RATES should also be established, consistent with the highest rates set minus a discount of at least 15% (fifteen percent) as against those offered by the bidder as highest rates, for:

- a) Products with some degree of manufacturing or industrialization, produced in the Province of Misiones.
- b) Supplies or parts for products that are industrialized in the Province of Misiones.

For each item listed below, the lowest highest rate proposed will receive the highest score.

HIGHEST
SCORE

Highest rates proposed for:

A. SERVICES FOR GOODS:

- Containers: 50 points.
- Bulk cargo: 20 points.
- Package cargo: 20 points.

	80
B. STORAGE AND CONSOLIDATION SERVICES	
- Import: 5 points.	
- Export: 15 points.	
- Removal: 10 points.	
- Container Consolidation: 30 points.	
	60
C. SERVICES TO VESSELS:	
	10
HIGHEST ACHIEVABLE SCORE IN THE ANALYSIS OF ENVELOPE NO. 2 BASED ON SECOND EVALUATION CRITERION:	
	150
HIGHEST ACHIEVABLE SCORE:	
	300

The assessment and scoring will be carried out by the Award Commission, which will forward its recommendations to APPSA's Board of Directors. Only bids that have obtained at least 100 points in the analysis of each of the two evaluation criteria of envelope No. 2 may be forwarded to the Board.

ABOUT THE POSADAS PORT

Location and Boundaries

The new Posadas Port is located on the shore of Parana River at about 10 kilometers from downtown Posadas, the capital city of the Province. It is close to the Airport and adjacent to the Posadas Industrial Park, with a direct exit to National Route No. 12 and connection to National Route No. 14.

The Posadas Port is located in milestone 1572 of the Parana River and its location in WGS84 Coordinates is:

Latitude: 27°22'00" S

Longitude: 55°59'08" O

The area under the future concession is a fraction of the lots indicated of around 16 hectares.

General Dock Features

The length of the dock at the Posadas Multipurpose Port intended for loading, unloading and storage has the following approximate size.

The Posadas Port work consists of:

- a) A 13-meter wide and 251.50 meter long dock where the rails for the gantry crane are located.
- b) A 37-meter wide and 251.50 meter long adjacent area, built on an embankment and paved.
- c) A 40-meter wide and 151.50 meter long operation sector at the back, built on an embankment and paved.
- d) A 74-meter wide and 100 meter long sector intended for mineral storage and an access road.
- e) The Northern Sector for stand-by barges.
- f) The Southern Sector for stand-by barges.

The above measures are approximate.

The port has four towers: Two in the mineral storage area, each connected to the dock by a catwalk, and two at the waiting area, both connected by a catwalk that runs parallel to the dock.

Depth and Height Levels

APPSA has bathymetric plans from where the concessionaire may obtain information about depths. Basic data:

Height Levels:

- | | |
|----------------------|----------|
| - Water mirror: | + 83.00m |
| - Dock higher level: | + 85.00m |
| - Dockside depth: | 18-20f |

Works to be Performed by Grantor

The Provincial State agrees to build, and deliver upon completion, buildings for the management of the Argentine Internal Revenue Service – Customs General Office (AFIP-DGA), the Argentine Agriculture and Food Health and Quality (SENASA), Argentine Immigration Office, the Argentine Navy, and the Port Administration of Posadas and Santa Ana (APPSA), with a total surface of 650m².

The Grantor further agrees to provide connections to drinking water, electric power, landlines, data networks and sewage services.

A control booth will be installed for access to and exit from the port, with a signals system including telephone, Internet access and closed-circuit TV.