REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE

CONSTRUCTION OF ANDALUCIA PORT ON THE MAGDALENA RIVER

Submission Deadline: **5:00 PM**

LOCAL TIME (CARTAGENA, COLOMBIA**)**

JULY 13, 2012

Submission Place:

Terminal Fluvial Andalucía, S.A.
Manga, Terminal Marítimo
P.O. Box 7954
Cartagena de Indias, D.T.y C.
Colombia
Ph: (57) 5 660-7781
Fax: (57) 5 660-9004

SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

ANNEX 1	FEDBIZOPPS ANNOUNCEMENT
ANNEX 2	EXCERPTED BACKGROUND DESK STUDY REPORT
ANNEX 3	USTDA NATIONALITY REQUIREMENTS
ANNEX 4	USTDA GRANT AGREEMENT, INCLUDING MANDATORY CONTRACT CLAUSES
ANNEX 5	TERMS OF REFERENCE (FROM USTDA GRANT AGREEMENT)
ANNEX 6	U.S. FIRM INFORMATION FORM

SECTION 1: INTRODUCTION

The U.S. Trade and Development Agency ("USTDA") has provided a grant in the amount of US$550,000 to Terminal Fluvial Andalucía, S.A. (Andalucia River Terminal or "TFA") ("Grantee") of Colombia (the "Host Country"), in accordance with a grant agreement dated April 24, 2012 (the "Grant Agreement"), to fund a Feasibility Study ("Feasibility Study") for the Construction of the Andalucia River Port Terminal (the "Project"). This Feasibility Study will determine the technical and financial viability of, as well as prepare preliminary designs for, a new inland river port along the Magdalena River in Colombia. The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

1.1 BACKGROUND SUMMARY

Grupo Puerto de Cartagena (GPC) and its member companies, specifically the recently formed company Terminal Fluvial Andalucía, S.A. (TFA), are pursuing the development of a river port located on a 365 hectare property near Gamarra, about 496 kilometers upstream from Barranquilla on the Magdalena River.

The Port of Cartagena is considered to be Colombia's premier port and is an important shipping hub for the country as well as for the Caribbean as a whole. Under the management of Sociedad Portuaria Regional de Cartagena (SPRC, the flagship company of GPC), the Port of Cartagena and its sister facility, Terminal de Contenedores de Cartagena ("Contecar"), have experienced a substantial increase in the volume of cargo handled over the last decade.

Ninety-nine percent of the domestic cargo shipped through the Port of Cartagena is transported from the industrial hinterlands of the country and reaches the port city via cargo trucks on the national highway network. In order to improve efficiency, reduce costs and facilitate continued growth in cargo transport through diversification, TFA plans to build and operate an inland river port along the Magdalena River, which feeds from the interior of Colombia to the Caribbean coast. The proposed port would function as a feeder to the Port of Cartagena and include a multipurpose terminal designed to handle a variety of commodities including containers, vehicles, coal, oil, and other solid and liquid bulk products. Some of the other elements to be included on site during the initial phase of construction are a container berth, general cargo berth, container and general cargo yard, fuel area tanks and equipment, coal terminal, and dry bulk storage silos and sheds. Dredging and bank protection work would also need to be undertaken.

The improvement of navigation on the Magdalena River is a national priority for the Government of Colombia, which has announced an investment program of over US$400 million to improve navigation along the river.

Portions of a background Desk Study report are provided for reference in Annex 2.

1.2 OBJECTIVE

The objective of this Feasibility Study is to determine the technical and financial viability of, as well as prepare preliminary designs for, a new inland river port along the Magdalena River in Colombia. The study is to consider engineering, technology, and equipment/infrastructure needs required for the development of a modern, cost-effective feeder port to Cartagena and Barranquilla on the Magdalena River that will handle containers, vehicles, and solid and liquid bulk commodities, including coal and oil.

The Terms of Reference ("TOR") for this Feasibility Study are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals ("RFP") will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established at a **total fixed amount of $716,667**. The contract will be funded by a fixed USTDA grant of US$550,000 and a fixed amount of US$166,667 that will be covered by the Grantee and paid directly to the Contractor. In addition, the Grantee will also separately and directly cover the cost of the required topographical and hydrographic surveys and site investigations (as specified in the Terms of Reference of the Grant Agreement), lodging, local transportation, and site visits for Contractor personnel.

Accordingly, <u>COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted</u>. Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations. The U.S. company ultimately selected by the Grantee and approved by USTDA would still be able to pursue follow-on engineering work related to the implementation of the project. However, the contractor would be expected to produce an objective study that will be viewed by all commercial and international lenders as "bankable."

1.4 CONTRACT FUNDED BY USTDA AND GRANTEE

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US$550,000 to the Grantee. In addition, the Grantee will provide a cash contribution of $166,667 on a *pro rata* basis in proportion to the funding being provided by USTDA to partially fund the costs of goods and services required for the completion of the Terms of Reference (USTDA US$550,000: Grantee US$166,667). Further, as stated above, the Grantee will also separately and directly cover the cost of the required topographical and hydrographic surveys and site investigations, lodging, local transportation, and site visits for Contractor personnel.

The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory

Contract Clauses are attached at Annexes 3 and 4, respectively, for reference. The Grantee's cash contributions are not subject to USTDA's nationality provisions.

As the "contracting party" under Colombian law, TFA will be responsible for covering the 16 percent VAT payments applicable to its cash cost share. However, Offerors should note that, under Colombian tax law, the successful Offeror will be subject to Colombian withholding tax assessed on the funds to be provided directly by the Grantee (i.e., US$166,667). The applicable Colombian withholding tax rate is understood to be 10 percent. USTDA recommends that Offerors consult with their tax advisors on this matter before submitting offers.

SECTION 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The Project is called the "Construction of Andalucia Port on the Magdalena River."

The Grantee refers to the project as "Terminal Fluvial Andalucia."

2.2 DEFINITIONS

Please note the following definitions of terms as used in this RFP:

> The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.
> The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

2.3 DESK STUDY REPORT

USTDA sponsored a Desk Study to address technical, financial, sociopolitical, environmental, and other aspects of the proposed Project. Portions of the report are attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

2.4 EXAMINATION OF DOCUMENTS

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries, and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Feasibility Study.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Feasibility Study.

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US$550,000. In addition, the Grantee has committed to provide a cash contribution of $166,667 on a *pro rata* basis with USTDA. Further, the Grantee will separately and directly covering the cost of the topographical survey and site investigations, lodging, local transportation, and site visits for contractor personnel.

2.6 RESPONSIBILITY FOR COSTS

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection, or negotiation of a contract.

2.7 TAXES

THIS SECTION CONTAINS IMPORTANT INFORMATION ON POTENTIAL COLOMBIAN TAX LIABILITIES. PLEASE READ CAREFULLY BEFORE PROCEEDING.

Offerors should note that, under Colombian tax law, the successful Offeror will be subject to Colombian withholding tax assessed on the funds to be provided directly by the Grantee (i.e., US$166,667). The applicable Colombian withholding tax rate is understood to be 10 percent. USTDA recommends that Offerors consult with their tax advisors on this matter before submitting offers.

In addition, Offerors should note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country. Neither the Grantee nor the successful Offeror will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

2.8 CONFIDENTIALITY

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

2.10 OFFEROR CERTIFICATIONS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA’s nationality requirements, including definitions, are detailed in Annex 3. Refer to Section 1.4 of this RFP for additional information on the applicability of USTDA’s Nationality Requirements. The Grantee’s cash contributions are not subject to USTDA’s nationality provisions.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The Cover Letter in the proposal must be addressed to:

Luis Eduardo Jiménez Benedetti
Investment Planning Director
Terminal Fluvial Andalucia, S.A.
Manga, Terminal Marítimo
P.O. Box 7954
Cartagena de Indias, D.T.y C.
Colombia

An original in English and four (4) copies in English of your proposal must be received at the above address no later than <u>5:00 PM</u>, on <u>July 13, 2012</u>.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier, or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

2.14 PACKAGING

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content, including the name of the project and designation of "original" or "copy number x." The original in English and four (4) copies in English should be collectively wrapped and sealed, and clearly labeled, including the contact name and the name of the project.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed, and labeled.

2.15 OFFEROR'S AUTHORIZED NEGOTIATOR

The Offeror must provide the name, title, address, telephone number, e-mail address, and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

2.16 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.17 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for ninety (90) days after the proposal due date, and the Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

2.18 EXCEPTIONS

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

2.19 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, feasibility study, and/or other services similar to those required in the TOR, as applicable.

2.20 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals.

2.21 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.22 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received.

2.23 COMPLETE SERVICES

The successful Offeror shall be required to (a) provide local transportation, office space, and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision, and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions, and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

2.24 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee’s approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA’s Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

SECTION 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established as $716,667, based on the USTDA grant of US$550,000 and the Grantee cash cost share of $166,667, which are fixed amounts. In addition, the Grantee will separately and directly cover the cost of the required topographical and hydrographic surveys and site investigations (as specified in the Terms of Reference of the Grant Agreement), lodging, local transportation, and site visits for Contractor personnel.

Offerors shall submit one (1) original in English and four (4) copies in English of the proposal. Proposals received by fax <u>cannot</u> be accepted.

Each proposal must include the following:

Transmittal Letter,
Cover/Title Page,
Table of Contents,
Executive Summary,
Firm Background Information,
Completed U.S. Firm Information Form,
Organizational Structure, Management Plan, and Key Personnel,
Technical Approach and Work Plan, and
Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 U.S. FIRM INFORMATION

A U.S. Firm Information Form in .pdf fillable format is attached at the end of this RFP in Annex 6. The Offeror must complete the U.S. Firm Information Form and include the completed U.S. Firm Information Form with its proposal.

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed Project Manager and key staff over the duration of the project must be included in the proposal.

3.4 TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Feasibility Study.

3.5 EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Feasibility Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project.

The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

Project name,
Name and address of client (indicate if joint venture),
Client contact person (name/position/current phone and fax numbers),
Period of Contract,
Description of services provided,
Dollar amount of Contract, and
Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to the Feasibility Study as described in this RFP.

SECTION 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second-most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria and their corresponding assigned weight:

- **Staff Technical Experience – River Ports Facility Design (20 points):**
  Team's experience (including detailed resumes showing language capabilities and specific project experience) in planning and design of river ports (including berths, dredging, container, coal, liquid bulk, and general cargo terminals, as well as technical specification development, procurement and cost estimating). Knowledge and familiarity with maritime security and safety regulations should also be demonstrated. Experience in preparing an RFP for a Design-Build or DBO contract is also desirable.

- **Work Plan and Methodology (20 points):**
  Adequacy of the proposed work plan and suggested overall approach to address the Terms of Reference and the different Study objectives. Approaches to the consultation process with SPRC and TFA as well as reasonableness of technical approach and staff utilization schedule will be considered. The specific methodology, the proposed team organization to achieve the objectives, the level of effort, and the overall work plan and timeline to produce the products to be delivered will be evaluated.

- **Staff Technical Experience – Drainage and Soil Stabilization (15 points):**
  Team's experience (including detailed resumes showing language capabilities and specific project experience) in drainage and soil stabilization options to develop cost effective solution in areas with low elevation near the river shore should be described.

- **Staff Financial, Economic and Environment Analysis Experience (15 points):**
  Team's experience (including detailed resumes showing language capability and specific project experience) in financial, economic and environment analysis for ports, project financing, development of capital investment programs for infrastructure projects, and development impacts of regional coastal and river port projects. Specific experience with financing mechanisms for port projects in Colombia and Latin American markets is desired.

- **Staff Technical Experience – Inland Navigation Planning and Design (10 points):** Team's experience (including detailed resumes showing language capabilities and specific project experience) in inland navigation planning and design. Staff expertise and qualifications should specifically demonstrate experience in planning inland navigation projects, river engineering, as well as dredging projects.

- **Staff Port Market Analysis Experience (10 points):**
  Team (including detailed resumes showing language capability and specific project experience) should have experience in demand analysis, market research and market assessments for container, general cargo, coal, crude oil and bulk port projects including prior experience developing such facilities to handle various types of cargo both for inland and coastal facilities.

- **Firm's Technical and Regional Experience (10 points):**
  Prior experience in port planning and design and inland navigation projects, and financial feasibility studies for these types of facilities is desired. Familiarity with the inland navigation and port sector in Colombia, Central and/or South America should be demonstrated.

Proposals that do not include all requested information may be considered non-responsive.

Price will <u>not</u> be a factor in Contractor selection.

A N N E X 1

FEDBIZOPPS ANNOUNCEMENT

Mr. Luis Eduardo Jiménez Benedetti, Investment Planning Director, Terminal Fluvial Andalucia, S.A., Manga, Terminal Marítimo, P.O. Box 7954, Cartagena de Indias, D.T.y C., Colombia, Phone: (57) 5 660-7781.

COLOMBIA: CONSTRUCTION OF ANDALUCIA PORT ON THE MAGDALENA RIVER

POC: Anthony O'Tapi, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. CONSTRUCTION OF ANDALUCIA PORT ON THE MAGDALENA RIVER. The Grantee (Terminal Fluvial Andalucia, S.A.) invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a feasibility study for the construction of the Andalucía River Port Terminal.

Grupo Puerto de Cartagena (GPC) and its member companies, specifically the recently formed company Terminal Fluvial Andalucía, S.A. (TFA), are pursuing the development of a river port located on a 365 hectare property near Gamarra, about 496 kilometers upstream from Barranquilla on the Magdalena River. The Port of Cartagena is considered to be Colombia's premier port and is an important shipping hub for the country as well as for the Caribbean as a whole. Under the management of Sociedad Portuaria Regional de Cartagena (SPRC, the flagship company of GPC), the Port of Cartagena and its sister facility, Terminal de Contenedores de Cartagena ("Contecar"), have experienced a substantial increase in the volume of cargo handled over the last decade.

The objective of this Feasibility Study is to determine the technical and financial viability of, as well as prepare preliminary designs for, a new inland river port along the Magdalena River in Colombia. The study is to consider engineering, technology, and equipment/infrastructure needs required for the development of a modern, cost-effective feeder port to Cartagena and Barranquilla on the Magdalena River that will handle containers, vehicles, and solid and liquid bulk commodities.

The U.S. firm selected will be paid in U.S. dollars from a $550,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA). In addition, the Grantee will provide a cash contribution of $166,667 on a *pro rata* basis in proportion to the funding being provided by USTDA to partially fund the costs of goods and services required for the completion of the Terms of Reference (USTDA US$550,000: Grantee US$166,667). Further, the Grantee will also separately and directly cover the cost of the required topographical and hydrographic surveys and site investigations, lodging, local transportation, and site visits for Contractor personnel.

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and portions of a background desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: https://www.ustda.gov/businessopps/rfpform.asp. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP. The Grantee’s cash contributions are not subject to USTDA’s nationality provisions.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 5 pm on July 13, 2012 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

A N N E X 2

EXCERPTED BACKGROUND DESK STUDY REPORT

CARTAGENA, COLOMBIA

DESK STUDY ON DETAILED DESIGN OF MAGDALENA RIVER PORT

EXCERPTED VERSION

CONTRACT NO. TDA- COLOMBIA 2012-51006A

FINAL REPORT

MAY 2, 2012

PREPARED BY:

ASCENDANT PROGRAM SERVICES

TABLE OF CONTENTS

A. Executive Summary

Project Description

The Sociedad Portuaria Regional de Cartagena S. A. (SPRC) and its affiliated companies, led initially by Cartagena II, and most recently by a newly-formed company Terminal Fluvial Andalucía, S.A. (TFA), are pursuing the development of a river port located on a 365 ha property near Gamarra, about 496 km upstream from Barranquilla on the Magdalena River. SPRC, TFA, and its affiliated companies are all part of the Grupo Puerto de Cartagena (GPC), private companies that were created as a result of Colombia's port privatization process. TFA intends to use the river terminal to handle a variety of commodities (containers, vehicles, coal, oil, and other solid and liquid bulk products) that will benefit from reduced transportation costs between the marine terminals in Cartagena and Barranquilla and inland destinations within Colombia.

The regional governmental entity responsible for issuing a concession for use of the river for commercial navigation purposes, Cormagdalena, approved in principle, through a Resolution dated October 3, 2011, a concession to Cartagena II for a period of 20 years. TFA then took on the role of concessionaire.

The improvement of navigation on the Magdalena River is a national priority for the Government of Colombia, which has announced an investment program of over US $400 million to improve navigation along the river. It also is giving priority to highway improvements to connect to new terminals in the river area. Further, the government is preparing a Master Plan to better utilize the river as an asset for regional development.

TFA contracted Moffatt & Nichol (M&N) to prepare alternative layout plans and a cost estimate for full development and an initial phase of the project. The preliminary cost estimate for full development ranges between US $190 million and $228 million. M&N's estimate of investment costs for the initial phase development is US $43 million for facilities and $6.3 million for equipment.

M&N estimates for full site development and for the initial phase do not include the needed 3.3 km road construction nor vessel acquisition. It also does not include rail access to the site or highway improvements outside the site – investments that are expected to be provided by others. TFA estimates its total investment needs to be in the order of US $70 million to start operations at the site (including the internal road and vessel acquisition).

TFA would like to complete the project design by the end of 2012 at a sufficient level of detail to be able to move forward with construction. As part of its ongoing efforts to advance the project, TFA requested USTDA funding for design studies for the initial phase of the project, which will include certain key elements of the eventual complex essential for opening the facility. The initial phase is aimed at handling the existing demand for containers and vehicles. In addition, as part of the design effort, TFA requested that the long-term concept plan be updated in light of the proposed Phase I design as well as ongoing environmental, financial, and other analysis. Eventually, TFA and its affiliated companies intend to promote rail access, develop additional warehousing and a logistics distribution center on the site surrounding the River Port.

Implementation Financing

At this time, TFA intends to finance the project from the port group's internally-generated funds and their available lines of credit or any other more efficient way to obtain the funds.

To obtain additional funds through loans, Grupo Puerto de Cartagena (GPC) can dedicate project cash flow with no escrow account or other mechanism that restrict cash availability. If that is not sufficient, the larger companies in the group (SPRC and Contecar) can act as co-debtors.

US Export Potential

An estimate of export potential was prepared for each of the following three categories:

a. The investments required for the initial river port construction, including site preparation, civil works, bank protection, dredging, and related works associated with the initial phase aimed at handling containers and vehicles (mostly to serve traffic already being handled at the Port of Cartagena).

b. The investments associated with the handling of coal, oil, and other solid and liquid bulk products intended to be implemented shortly thereafter, subject to agreements with shippers and other companies that control the commodity shipments from or to the hinterland region of the port, and

c. The potential U.S. exports associated with the expanded vessel operations in the Magdalena River as a result of the new TFA terminals.

Total U.S. export potential of the project is estimated at close to US $80 million, with U.S. content estimated to range between US $48 million and US $57 million. It is likely that U.S. manufacturers and service providers can be successful in selling their products and services for this project, due to the proximity to the US, the historical trade relationships and recent trade agreement, as well as the potential for a U.S. firm to be significantly involved in this project.

It should be further noted that the exposure of U.S. equipment manufacturers, engineering firms and other exporters to the Magdalena River project that will result from the USTDA Study will also better position these firms to participate in other procurements for goods and services that will be needed at the new River Port and along the Magdalena River. While these other export potential volumes are not included in the estimates presented in this document, the study tasks are designed to maximize the impact of the exposure by contacting U.S. exporters and making them aware of this opportunity and the priority of the Magdalena River Port Project in Colombia.

Justification

The request for USTDA assistance in funding the Design of the TFA Magdalena River Port in Colombia is justified for the following main reasons:

1) *Export potential is significant*. The estimates of U.S. exports indicate that the potential value of the exports is much greater than the funding assistance from USTDA. Furthermore, many of the needed investments are to be implemented in the near term, increasing the potential for U.S. exports. In addition, U.S. companies are already involved

working on this priority project or are negotiating for a role on important aspects of the new port development and/or operation. The proximity of Colombia to the US, the recent Free Trade Agreement, and the rapid economic growth in the country are all factors that increase the likelihood of the project's near term success and further facilitate significant U.S. exports to develop the project.

2) *Major ongoing infrastructure investments in the area are underway*. SPRC and its affiliated companies are part of the GPC, a group of private companies that resulted from the government's port privatization process. They have successfully continued to develop and expand their terminals. The River Port is their next priority. They envision not only a River Port, but eventually they anticipate having rail access to the site and development of substantial warehousing and distribution facilities to create a Logistics/Distribution Center surrounding the port. At the same time, the Government of Colombia and other private companies are investing in the future development of the Magdalena River area. The government has announced several major initiatives in the area, including development of a Master Plan for regional development, a program to improve navigation on the river, and a highway improvement program to better connect the national highway to the river area and the new terminals under development.

3) *Sponsor's successful business record, priority and implementation funding availability.* TFA and its affiliated companies have successfully managed the port terminals in the Cartagena Area and have grown the companies in a financially sound manner. The companies have already devoted substantial resources to preliminary planning and environmental assessments for this river port development. They have the financial resources and are committed to the project's implementation as a high priority as part of their strategic growth plan. The GPC companies have lines of credit available and can also structure other financing with guarantees of project revenues or with the group companies as co-debtors. Further, they can and have stated they are pursuing other companies to possibly share the risk of some of the needed investments. The Sponsor's commitment and priority to the project is further indicated by their pledge to provide over US $200,000 of their own funds as a cost share for the USTDA study.

4) *Potential for U.S. firms participation as a partner or supplier in the project development*. At least one of the terminals in the River Port can potentially be developed in partnership with a major U.S. firm. In addition, some of the project construction can be developed through a fast track contracting approach, which could benefit from experienced U.S. firms involvement collaborating with local firms. One U.S. firm has been heavily involved in the conceptual studies for the new River Port and has a continuing involvement in various port engineering contracts for planning and design of port facilities for SPRC and its affiliated companies. This USTDA funding assistance will also develop the procurement specifications and recommend an approach and financial plan for the contracts to further develop the River Port.

5) *Potential for U.S. exporters' involvement as equipment providers*. The equipment needs to develop the river port include cargo handling equipment, conveyor belts, other material handling equipment, storage tanks, trucks, barges and tow boats, etc. Colombia is an open market where U.S. companies compete successfully and several exporters have been past suppliers to SPRC and its affiliated companies. The USTDA proposed Work Program has been structured to provide more information about potential exporters to the

Project Sponsor as well as provide information to interested U.S. firms. The Work Program includes the development of specifications for some of the equipment to be procured in the near term.

6) *Foreign competition.* European, Chinese, Japanese and other foreign competitors are actively involved in the Colombian port market. The involvement of USTDA through this financial assistance can help promote U.S. company involvement with the Project Sponsors and further encourage use of U.S. sourced equipment and services in the future.

Recommendations

A USTDA grant is recommended to fund a seven-month study. The study will conduct engineering and financial feasibility studies and prepare Preliminary Design Plans for the initial phase of the new TFA Magdalena River Port and conceptual plans for other phases (see study schedule in Annex I). The Project Sponsor, TFA would fund the remaining costs as its cost-share.

It is recommended that USTDA obtain the agreement of the Project Sponsor and clearly establish a deadline for the Project Sponsor to provide all needed information and data to the U.S. Firm contracted by USTDA. In particular, since TFA will take on the responsibility for the survey and site investigations, in accordance with the project schedule, and will need to provide inputs and comments on the early tasks results to the Contractor in order to advance to later tasks, it is recommended that the Project Sponsor should name a Project Coordinator. The Project Coordinator's main role is to assure all required feedback and decisions are provided to the Contractor in a timely manner, so as to comply with the recommended schedule.

B. Project Description

Project Location, Objective, and History

The Sociedad Portuaria Regional de Cartagena S. A. (SPRC) and its affiliated companies, led initially by Cartagena II, and most recently by a newly-formed company Terminal Fluvial Andalucía, S.A. (TFA), are pursuing the development of a river port located on a 365 ha property near Gamarra, about 496 km upstream from Barranquilla on the Magdalena River. The river can be accessed from Cartagena through the Canal del Dique, which connects to the river at Calamar, about 80 km south of Barranquilla. The location of the new river port (near Gamarra) and the river route to Barranquilla and Cartagena are shown in Figure 1. The new river port will be built and operated by TFA.

TFA is a private company established to undertake the concession for the construction and operation of the new river port. TFA is a member company of Grupo Puerto de Cartagena (GPC), headquartered in Cartagena. Under the management of Sociedad Portuaria Regional de Cartagena (SPRC, the flagship company of GPC), the Port of Cartagena and its sister facility, Container Terminal Cartagena ("Contecar"), have experienced a substantial increase in the volume of cargo handled over the last decade.

Figure 1: Map of the Magdalena River's Area and River Port Site

Source: SPRC

TFA intends to use the river terminal to handle a variety of commodities that will benefit from reduced transportation costs between the marine terminals in Cartagena and Barranquilla and inland destinations within Colombia. The development effort will be focused on terminal property owned by Cartagena II. The river terminal will also have the added benefit of lower dwell time for the cargo terminals in Cartagena and Barranquilla.

SPRC and its affiliated companies have been pursuing the development of this inland river port for some time, as part of the group's Master Plan. For that purpose, it decided to acquire the 365 ha site near Gamarra. The Colombian firm EMDEPA was hired to look at the site conditions and in July 2009 issued a report evaluating flood elevations at a number of locations in the area. In order to select a layout for development of the river port, the maximum flood elevation must be established since it controls the elevation for marine structures and cargo storage areas. The

EMDEPA study considered the topography of the site and the bathymetry of the river and developed conceptual layouts for the river port.

In 2011, Moffatt & Nichol (M&N) was tasked by SPRC with developing a Concept Plan for the river port. M&N verified the river elevation, evaluated all available information and proposed various concepts for docks, storage areas, an entrance gate, and infrastructure. M&N also developed an estimate of costs and proposed an implementation schedule, including an initial phase for starting operations. The major issue that remains in developing the site is the approach to site stabilization and water management, since there are significant wetland areas in the area, besides the river and a major creek through the site.

Concurrently with the M&N Study, SPRC, Cartagena II, and TFA negotiated a concession agreement with the agency responsible for river navigation, Cormagdalena. For a description of the relationship and history of the Cartagena port affiliated companies, see Section C.

The Cartagena port group has also continued to conduct various studies to define the operating concept for the new river port, evaluate alternative layouts, consider environmental impacts, estimate development costs, and consider the financial viability of the project. The river port is intended to be a multi-purpose facility with terminals that will handle containers, general cargo, coal, other solid bulks, and liquid bulk products.

Required Permits and Concession Agreement

The regional governmental entity responsible for issuing a concession for use of the river for commercial navigation purposes, Cormagdalena, approved in principle, through a Resolution dated October 3, 2011, a concession to Cartagena II (see section C for relationship to other port companies) for a period of 20 years, including the construction and operation of a multi-purpose terminal (to handle vehicles, containers, and other cargoes) and a coal terminal. Both terminals include entrance gates for ground access, berths for river access, cargo handling equipment, cargo storage areas and related buildings.

Cartagena II is in the process of being substituted by TFA as the concessionaire in the final Cormagdalena concession agreement. Additional studies are also presently underway to meet all the requirements established by Cormagdalena in its October 3, 2011 Resolution in order to sign the concession agreement and advance the project towards implementation.

The main requirements that are still pending for concession agreement signature include:

1) Basic engineering design studies,

2) Investment schedule and construction start date,

3) Environmental License (being requested from Corpocesar, the Environmental Authority of the State of Cesar)

The Concession agreement also requires TFA to make an investment of US $4.5 million but this amount relates only to the strip of land adjacent to the river. The amount can be delayed as long as TFA commits to the present value of the investments (@ 12% interest).

In addition to the 3 km road inside the TFA property that is needed for access to the site of the proposed river port, some 20 km of the main National Road through the region will need to be improved. The concessionaire has committed to negotiate with local, departmental, and national authorities to improve the current national road. Other port terminals are under consideration or development in the area, and as further explained in Section C, the national government has set the improvement of the Magdalena River Region as a national priority.

Project Scope, Investment Requirements, and Implementation Schedule

The M&N Study presents alternative layout plans and a cost estimate for full development and an initial phase. The preliminary cost estimate for full development ranges between US $190 million and $228 million. These estimates include dredging, container berth, general cargo berth, general infrastructure, fuel area tanks and equipment, coal terminal, and dry bulk storage silos and sheds. The estimates also include 16% for VAT.

The initial phase of the project was defined to include key elements of the eventual complex that are essential for opening the facility to handle the existing demand for containers and vehicles. The long-term plan and the initial phase need to be reviewed in light of the approach to the initial phase design, to be defined in this USTDA supported study, as well as ongoing environmental, financial, and other work. Expansion of the river port will proceed as needed to handle larger volumes and additional commodities (i.e., coal, oil, and grains). The initial phase as currently proposed includes a single marginal wharf 110 m in length and an adjacent open storage area of 8 ha that can also accommodate general cargo and some dry bulks. M&N's estimate for the initial phase development is US $43 million for facilities and US $6.3 million for equipment (see Table 1). These estimates include dredging and bank protection, container berth, container and general cargo yard, and general infrastructure. The estimates also include VAT.

M&N's estimates for full site development and for the initial phase do not include construction of the needed 3.3 km access road nor the US $19 million vessel acquisition costs. It also does not include rail access connections to the site. However, the report noted an existing rail line passes close to the entrance to the site, so the cost to construct a spur to the site would be relatively modest. TFA estimates its total investment needs to be in the order of US $70 million to start operations at the site.

TFA would like to complete the project design by the end of 2012, at a sufficient level of detail to be able to move forward with construction. The potential of using a design-build approach to project implementation has been suggested to the Sponsor by the Desk Study Consultant. The USTDA Contractor and TFA should consider that possibility as it would save time in completing the project and therefore accelerate start of operations.

Table 1: Facility Investment Requirements for Initial Phase

Critical Development Item	Estimated Cost (US$)
Dredging/Revetment	
Dredging/Excavation	$961,500
Bank Protection (Armor stone)	$7,785,040
Subtotal	$8,746,540
Container Berth	
Steel Sheet Pile Cells	$3,364,236
Fenders	$52,500
Concrete Seawall	$1,962,000
Steel Monopile Dolphins	$625,212
Subtotal	$6,003,948
Container & General Cargo Yard	
Fill & Ground Improvements	$6,210,075
Pavement & Base	$1,750,000
Operations & Maintenance Bldg	$50,000
General Cargo Shed	$500,000
Fire Protection	$125,000
Electrical Network	$35,000
Security Fence	$29,750
Sub Total	$8,699,825
General Infrastructure	
Barge Holding Piers & access ramps	$150,000
Waterside Embankment/Access fill/improvements	$538,750
Electrical connections	$350,000
Circulation Roadway	$500,000
Administration Building	$50,000
Entrance Gate Controls	$50,000
Cienaga Marisonga Crossing	$500,000
Subtotal	$2,138,750
PHASE 1 TOTAL FOR MARINE & CIVILS WORK	US$25,589,063
Permitting and Design (15%)	$3,838,359
Contingency (30%)	$7,676,719
ROUNDED BUDGET TOTAL	$37,110,000
Add for IVA at 16%	$5,937,600
TOTAL PHASE 1 BUDGET WITH IVA	$43,047,600

Source: Moffatt & Nichol

Project Operating Concept and Financial Viability

It is anticipated that TFA will acquire two self-propelled barges and would operate the vessels for handling the container cargo. For other cargoes, agreements would be negotiated with barge operators that provide services on the Magdalena River using barges with tow boats. TFA also would operate the container and general cargo terminal at the river port. Although still under consideration, the coal, oil and other solid and liquid cargo would be handled through separate terminals which could be developed by partners to TFA and/or others.

SPRC has considered the potential market for the river port. Taking into consideration the actual cargo presently moving through the Port of Cartagena that could be expected to use the new river port based on its origin and/or destination, SPRC concluded that the total trade by road between

SPRC terminals and cities close to the river port was 300,000 twenty-foot equivalent units (TEUs) in 2010. Assuming only 20% of that potential cargo uses the river port, SPRC estimates that the barge vessel service and the initial phase of the port terminal would be close to 100% utilization.

In 2008, a financial analysis was carried out that concluded the project was viable and had the potential to produce a good return on the investment. The investment requirements at the time were estimated at US $29.2 million, including US $10.2 million for infrastructure and facility development, US $4.1 million for cargo handling equipment acquisition, and US $14.9 million for self-propelled barges.

Since 2008, investment costs have increased but so has the potential cargo volume. Estimated revenues, operating expenses and project returns are to be updated as part of the USTDA-funded study.

Study Objectives

The purpose of the USTDA supported Study is to prepare preliminary design plans for the initial phase of operations and conceptual designs for the coal and oil terminal facilities for a new inland river port along the Magdalena River in Colombia.

The study is to consider engineering, technology, and equipment/infrastructure needs to develop a modern, cost-effective feeder port to Cartagena and Barranquilla on the Magdalena River.

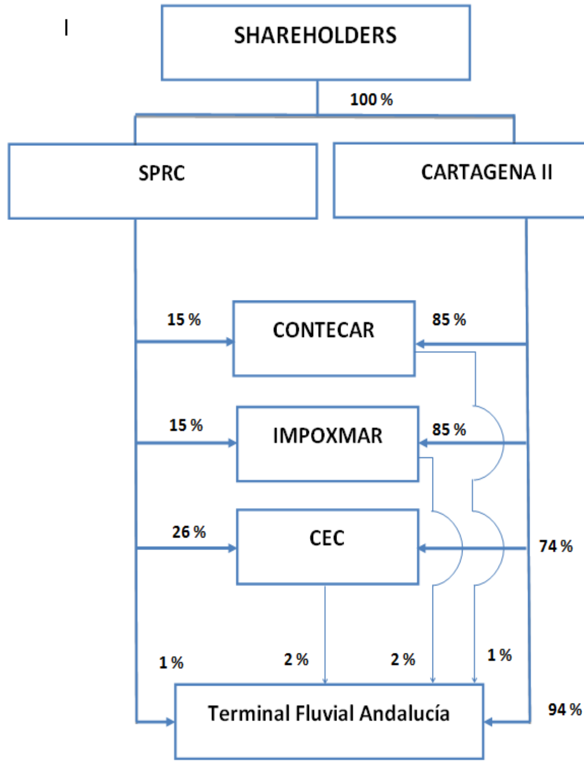
More specifically, the objectives of the Study are to:

1) Review and update prior market analysis and demand projections for the river port.
2) Prepare a Master Development Plan to fully develop the river port site, a phased approach to implement the plan, and a Capital Improvement Program for the first five years, showing cash flow requirements by year.
3) Consider site stabilization needs, including evaluation of alternative reclamation and site drainage solutions for terminal development.
4) Develop design plans and specifications at a sufficient level of detail to allow bidding of the initial phase of the project (to handle containers and vehicles).
5) Develop concept design plans for the coal, oil and other solid and liquid bulk facilities
6) Define equipment needs and potential U.S. sources of supply.
7) Prepare technical specifications for major equipment to be acquired.
8) Carry out a financial analysis.
9) Consider financing options, based on the requirements of financial institutions, in order to obtain financing for the project; and
10) Carry out an economic, environmental, and development impact analysis of the project.

C. Project Sponsor’s Capability and Commitment

The Project Sponsor will be Terminal Fluvial Andalucía, S. A. (TFA), a company related to the Grupo Puerto de Cartagena (GPC), which is the private organization dedicated to provide port and logistical services at the Port of Cartagena. The interrelated ownership of the various companies is shown in Figure 2.

Figure 2: Relationship of TFA to Companies of GPC



SPRC and Cartagena II are mirror companies that are part of GPC. SPRC was created in December of 1993 as a result of the process to privatize Colombia's ports and the operating companies at the ports. In 2005, SPRC acquired the Container Terminal of Cartagena (Contecar), and integrated its policies with SPRC with the objective of becoming the major port in the Caribbean. Cartagena II was also formed as a result of a decision by SRPC in 2005. Cartagena II owns 85% of Contecar, while SPRC owns 14.5% of Contecar.

Impoxmar and CEC are port operating companies owned by GPC. Impoxmar Ltda. was formed in 1973 to provide maritime services in Colombia's ports supporting the maritime agency services of Anibal Ochoa Cia. In 1998, SPRC acquired 51% of Grupo Ochoa and became Impoxmar S.A. In 2008, GPC acquired the rest of the company. CEC Ltda. is another port operating company formed in 2003 and was initially owned 51% by SPRC. The remaining 49% was owned by NAUTIPORT, S.A., which was handling the operations of Nedlloyd vessels in the port. In 2008, GPC acquired the rest of CEC.

The GPC companies handled 2,216 vessels in 2010, compared to 1,281 vessels in 2006. Over 9.45 million tons of cargo was handled in 2010, compared to 6.9 million tons in 2006. During 2011, the GPC container terminal facilities handled over 1.7 million TEUs, a very significant increase over the 711,529 TEUs handled in 2006. GPC and its affiliated companies have been very successful at significantly growing their business in the past decade and increasing the capacity and efficiency of their terminals.

As of 2011, Cartagena was the fourth largest container port in the Latin America/Caribbean area and growing fast, at a rate of 21% between 2005 and 2010. SPRC and Contecar revenues were

400,000 million Colombian Pesos in 2010 (equivalent to about US $224 million) and total revenues for the entire GPC group of companies is projected to increase to US $600 million by 2017.

Sponsor's Commitment to the Project

The Cartagena port terminals have been improved and expanded under the management of the GPC companies. The SPRC-Contecar Master Plan includes the development of a container terminal with a capacity of 2.5 million TEUs, with 12 container cranes, 60 Rubber Tyred gantry (RTG) cranes, and a 1,000 m long marginal berth providing a depth of 15 m. The Master Plan also calls for 80,000 m^2 of space in cargo sheds, as well as 100,000 m^2 for general cargo, 60,000 m^2 of space for repair of empties, and a cargo inspection area of 20,000 m^2.

Furthermore, recognizing the need to also increase the efficiency of inland transportation, the GPC has included in their Master Plan the development of a river port. Presently, most of the cargo handled at the Port of Cartagena moves to/from inland locations by road. SPRC and Contecar proposed the construction of a river port with the objective of increasing the efficiency to handle the transport of cargo to/from the port's hinterland.

The river port will allow the transport of containers, vehicles and other cargo by inland waterway through the Canal del Dique and the Magdalena River upstream about 500 km to a location closer to the main consumer markets and production areas of Bogota, Medellin, Bucaramanga, etc. – a site closer to where 80% of the population of Colombia resides.

TFA and the GPC affiliated companies have been committed to this project as a high priority for some time, as reflected by the port's actions since 2008 as follows:

1) Purchase of 365 ha property
2) Study of Magdalena River and its shores near Gamarra, under contract with Colombian firm EMDEPA
3) Development of initial Concept Plan under a contract with Moffatt & Nichol
4) Negotiation of a concession agreement for use of the first 30 m from the river shore that is owned by the national government through the regional agency Cormagdalena. A Resolution by Cormagdalena was approved in principle on October 3, 2011, whereby Cormagdalena will issue a concession to Cartagena II for a period of 20 years, including the construction and operation of a multi-purpose terminal (to handle vehicles, containers, and other cargoes) and a coal terminal. It is anticipated that the concession agreement will be signed by spring 2012.
5) Environmental impact studies being prepared by Colombian firm SAMIN
6) Road access design studies being prepared by Colombian firm EMDEPA
7) Vessel studies being conducted by DAMEN, DST and Robert Allan

TFA and the GPC affiliated companies have been actively investing in this project, including many important related studies, which have been or are being carried out with the use of significant internal port resources.

Government Priority

Besides the project commitment demonstrated by GPC and its affiliated companies, for many years the Colombian government has been studying the potential cost savings and efficiencies of increased utilization of the Magdalena River for commercial navigation. More than 50 studies have been carried out in the past 75 years.

Recently, the Colombian Transport Ministry has announced its support, and that of Colombia's President Santos, for a US $400 million project to be carried out by Cormagdalena, the regional entity responsible for river navigation. The project will improve navigation on the river in order to transport goods between the coastal ports of Cartagena and Barranquilla and the country's central region. Transport Minister Cardona's recent statement (as described by Business News Americas on March 6, 2012) emphasized that the time has come to implement the needed programs recognizing that the river is "the best way to transport heavy goods from the center of the country to the Caribbean."

Furthermore, Colombia's National Roads Authority (Invias) has also pledged to manage and allocate the necessary funding to improve road connectivity with the waterway. Invias noted that improving the waterway and connecting highways would be the best way to transport oil to the Caribbean Coast for export, while removing heavy trucks from the highways. Invias Director Rosado Zuñiga announced that a US $6.4 million Master Plan for improving and finding ways to better utilize the Magdalena River will be carried out by a Chinese firm Hidrochina beginning in April 2012. These studies will provide the needed information to structure a concession to a private entity that will guarantee the navigability of the river. The studies will include flood control, cargo flows, fisheries and agriculture, as well as an evaluation of the potential for hydroelectric power generation, while minimizing negative environmental impacts. Additional morphological studies will also be carried out for the purpose of maintaining the navigable channel in the river.

D. Implementation Financing

SPRC and TFA have considered the potential market for the river port and it is reasonable to expect that shippers will want to use this inland transport alternative rather than road transport whenever possible, if the vessel service is attractively priced.

In the 2008 financial analysis carried out by SPRC, it was concluded the project was viable and had the potential to produce a good return on the investment. Accordingly, SPRC has been financing the project from its own internally-generated revenues and its available lines of credit.

In 2008, the investment requirements were estimated at US $29.2 million, including US $10.2 million for infrastructure and facility development, US $4.1 million for cargo handling equipment acquisition, and $14.9 million for self-propelled barges. Since 2008, investment costs have increased but so has the potential cargo volume. The 2011 M&N estimate of investment requirements for the initial phase adds up to approximately US $43 million for facilities and US$ 6 million for equipment. Vessel studies are underway and updated investment requirements were not available at the time of this Desk Study. Estimates of revenues, operating expenses and project returns are to be updated as part of the USTDA funded study.

Total Contecar and SPRC revenues were 400,000 million Colombian Pesos in 2010 (equivalent to about US$ 224 million). Total revenues for the GPC companies are projected to increase to $600 million by the year 2017. At this time, TFA intends to finance the project from the port group's internally generated funds and their available lines of credit or any other more efficient way to obtain the funds.

To obtain additional funds through loans, GPC can dedicate project cash flow with no escrow account or any other mechanism that restricts cash availability. If that is not sufficient, the larger companies in the GPC group (SPRC and Contecar) can act as co-debtors.

TFA has requested that the USTDA study update the previous Financial Analysis and consider other financing sources. This task has been included in the Terms of Reference. Amongst the possible sources to be explored are U.S. Export-Import Bank and the Overseas Private Investment Corporation (OPIC). In addition, the potential exists to raise funds for certain investments from users, vendors, and others interested in becoming partners on the operation. Large shippers who will be the major users of the bulk facilities (oil or coal), or vessel service providers could be interested in investing, thereby gaining some control on the capacity and use of those facilities. For TFA, such investments can distribute risks amongst various interested parties

In conclusion, although no specific up-to-date financing plan is available, prior analysis and the sponsor's commitment and financing capacity are evidenced by their available credit lines and their willingness to issue debt guaranteed by project cash flow or with the larger companies in the GPC group acting as co-debtors. These sources are likely sufficient to implement the project. Furthermore, the USTDA study will provide the needed information to consider other more efficient financing sources.

E. U.S. Export Potential

The TFA Magdalena River Port project has the potential to result in significant U.S. exports, particularly if the terminals for handling the coal, oil, and other solid and liquid bulk products are developed and/or operated with the involvement of U.S. companies. USTDA funding of this study can facilitate the participation of U.S. firms and help them compete for any equipment or services to be awarded as part of the project. This estimate considers three categories of potential U.S. exports as follows:

a) The investments required for the initial river port construction, including site preparation, civil works, bank protection, dredging, and related works associated with the initial phase aimed at handling containers and vehicles (mostly involving traffic already being handled at the Port of Cartagena).
b) The investments associated with the coal, oil, and other solid and liquid bulk products intended to be implemented shortly thereafter, subject to agreements with shippers and other companies that control the commodity shipments from or to the hinterland region of the port, and
c) The potential U.S. exports associated with the expanded vessel operations in the Magdalena River as a result of the new TFA terminals.

Initial Phase Construction and Operation – Containers and Vehicles

The initial development phase of the TFA Magdalena River Port is aimed at handling containers and vehicles, which are currently transported by road to the Port of Cartagena. Moffatt & Nichol (M&N) developed a concept plan for the river port under contract to SPRC. As part of that study, M&N estimated that approximately US $5 million in equipment acquisition will be needed for the initial terminal phase. Table 2 presents a summary of the types of equipment to be acquired, most of which can potentially be sourced in the US. It is estimated that the U.S. content would range between 50 and 80% of the equipment cost.

In addition, SPRC and its affiliated company CONTECAR, as part of their ongoing operations in the Cartagena terminals, spent over US $2 million in U.S. products and services in 2010 (mainly computers, cargo handling equipment, consultant services, rail tracks, electronic equipment, and other supplies). This level of acquisition of U.S. products and services will increase with the addition of the Magdalena River Port. It is estimated that this increase will be related to the cargo level handled. Since container cargo is estimated to increase by 20%, the increase in U.S. exports from the additional river terminal is estimated as 20%, or a total of US $400,000 annually. This annual increased level of purchase of U.S. products and services would add up to US $2 million over a five year period after start of operations. The U.S. content is estimated as 30 to 60%, or US $600,000 to $1.2 million.

In general, the civil and marine construction will have limited U.S. export potential, as most of the inputs will be locally sourced and there are many qualified Colombian contractors that can handle this type of contract. However, considering the Project Sponsor's objective to complete the initial phase of the terminal as early as possible, the opportunity exists to bid this project as an EPC or design-build contract. Such an approach would make it possible for U.S. companies with expertise in managing complex projects that involve site stabilization, bank protection, structures, and equipment acquisition with a tight deadline to begin operations at a new facility, to compete jointly with Colombian firms utilizing a Design-Build or EPC contract approach. The scope of this USTDA project was designed to allow this option, but it will be a decision that TFA and the USTDA Contractor will have to discuss during the project, taking into consideration design, costs and schedule issues. In any case, there should be an opportunity for input by a U.S. firm into the final design phase and some other limited opportunities for specialized U.S. firms (e.g. for soil stabilization and Program Management).

The total U.S. content of the export potential for the construction, equipment acquisition, and operation of the first phase of the operation (for the initial five years) is estimated at between US $3.7 and US $6.2 million as shown in Table 2. This estimate assumes that at least 50% to 80% of these equipment and services will be U.S. content, should the equipment and services be sourced from U.S. firms. As stated previously, the close proximity of the U.S. and the trade partnership (FTA) between the U.S. and Colombia should make these types of U.S. products and services competitive in the Colombian marketplace. Most of the equipment and services could be primarily or solely U.S. content, if U.S. firms are successful in selling their products and services.

Coal, Oil, and other Solid and Liquid Bulks – Initial Operation

Solid and liquid bulk commodities, such as coal, oil, grain, etc. are anticipated to be handled at the port as soon as practical, depending on market conditions, financing, and shipper needs in the hinterland of the port.

The US export potential from the bulk terminals is estimated to be close to US $30 million. Table 3 summarizes the estimate of U.S. export potential for the bulk terminal. The total U.S. content of the export potential for the bulk terminal (for the initial five years) is estimated at between US $7.3

and \$13.7 million as shown in Table 3. This estimate assumes that between 50% to 80% of the equipment and 20% to 40% of the services will be U.S. content.

Table 2: Estimate of U.S. Export Potential by Investment Category – Containers and Vehicles - Initial Development Phase

Investment Need	Cost per Unit (US$000)	Units	Total Cost (US$000)	Estimated U.S. Content (US$000)			Estimated % U.S. Content		
Mobile Crane	$750	1	$750	$375	-	$600	50%	-	80%
Harbor Crane	$3,000	1	$3,000	$1,500	-	$2,400	50%	-	80%
40-Ton Top Picks	$450	1	$450	$225	-	$360	50%	-	80%
Yard Reach Stackers	$385	LS	$385	$193	-	$308	50%	-	80%
Computers, IT, Communications, etc.	$200	LS	$200	$100	-	$160	50%	-	80%
Security Equipment (scanners, CCTV, etc.)	$100	LS	$100	$50	-	$80	50%	-	80%
Other (trucks, vehicles, mtn equipment, etc.)	$100	LS	$100	$50	-	$80	50%	-	80%
Subtotal – Equipment as per M&N Study*			$4,985	$2,493	-	$3,988		-	
Annual increase in equipment, supplies and services purchased	$400	5	$2,000	$600	-	$1,200	30%	-	60%
EPC, Design-Build Contract, or PM Services	$1,000	2	$2,000	$600	-	$1,000	30%	-	50%
Total			$8,985	$3,693	-	$6,188			

*Source: Moffatt & Nichol, Magdalena River Port Concept Study, October 2011;
LS = Lump Sum

Table 3: Estimate of U.S. Export Potential by Investment Category – Bulk Products

Investment Need	Cost per Unit (US$000)	Units	Total Cost* (US$000)	Estimated U.S. Content (US$000)	Estimated % U.S. Content
Mobile Crane	$300	1	$300	$150 - $240	50% - 80%
Bobcats, pressure washers, other equipment	$100	LS	$100	$50 - $80	50% - 80%
Bulk Terminals Development/Operations Contract*	$5,000	5	$25,000	$5,000 - $10,000	20% - 40%
Conveyor Belt, Ship Loader, Reach Stacker, Other Material Handling Equip.	$3,000	LS	$3,000	$1,500 - $2,400	50% - 80%
Transportation of Equipment	$1,000.00	1	$1,000	$500 - $800	50% - 80%
Other (trucks, maintenance equipment, etc.)	$200	LS	$200	$100 - $160	50% - 80%
Total			$29,600	$7,300 $13,680	

* Based on DS consultant estimates and interviews with suppliers.

Table 4: Estimate of U.S. Export Potential by Investment Category – Vessel Services

Investment Need	Cost per Unit (US$000)	Units	Total Cost* (US$000)	Estimated U.S. Content (US$000)	Estimated % U.S. Content
Barges	$750	12	$9,000	$9,000	100%
Tug Boats	$6,000	2	$12,000	$12,000	100%
Self-Propelled Barges for Containers	$7,500	2	$15,000	$15,000	100%
Expanded Vessel River Services	$1,000	5	$5,000	$1,000 - $2,000	20% - 40%
Total			$41,000	$37,000 $38,000	

* Based on service provider estimates except self-propelled barges based on SPRC budgeted amount

The close proximity of the US, the potential involvement of a major U.S. firm that specializes in this business, and the trade partnership (FTA) between the U.S. and Colombia should make these types of U.S. products and services competitive in the Colombian marketplace. Most of the equipment and services should be significantly U.S. content, particularly if a U.S. firm is successful in selling their products and services during the implementation of the project.

Vessel Construction and Services

There are many barge shipbuilding facilities in the U.S., mainly to supply the inland waterways industry operating in the Mississippi River system.

A U.S. firm should then be able to provide the vessels and the inland transportation services on the Magdalena River. One of the companies operating in the Mississippi River could expand its inland river transportation services to the Magdalena River, providing river transportation for container, vehicles, import grain, export coal, and other commodities (some of them possibly on an exclusive basis). The potential river transportation for bulk products is likely to start with two convoys weekly (consisting of two tug and six barges each). The export potential of the vessel requirements for such service is estimated in Table 4.

In addition, TFA and SPRC have stated their intent to acquire two self-propelled vessels for the initial container and general cargo operation. The estimated cost is about US $15 million. The total U.S. content of the export potential in the first phase vessel operations (for the initial 5 years) is estimated at between US $37 and $38 million as shown in Table 4.

This estimate assumes that 100% of the barges and tows and between 20% and 40% of the services will be U.S. content, should the equipment and services be sourced from U.S. firms.

If a US company is successful in providing barge services for the coal terminal, the barges and tows will likely be built and delivered entirely with U.S. content. Further, the close proximity of the U.S. and the trade partnership between the U.S. and Colombia should make all these types of U.S. products and services competitive in the Colombian marketplace, so a large share, if not most of the equipment and services could be U.S. content, if U.S. firms are successful in selling their products and services during the implementation of the project. Several U.S. based firms provide similar equipment and services (e.g. American Commercial Lines, Kirby Transportation, AEP, Canal Barges, etc.)

Total Export Potential

In summary, the total U.S. export potential is estimated at close to US $80 million, with U.S. content estimated to range between US $48 million and US $57 million. It is likely that U.S. manufacturers and service providers can be successful in selling their products and services for this project, due to the proximity to the US, the historical trade relationships and recent Free Trade Agreement between Colombia and the US, as well as the interest and presence of U.S. firms in the Colombia market.

It should be further noted that the exposure of U.S. equipment manufacturers, engineering firms and other exporters to the Magdalena River project which will result from the USTDA Study will also better position these firms to participate in other procurements for goods and services that will be needed at the new River Port and along the Magdalena River. The Colombian Transport

Minister, German Cardona and Colombian President Santos have announced an overall US $400 million program to improve river transportation along the Magdalena River, including improved roads connecting to the river as well as improvements to the waterway. While the export potential volumes from these additional projects are not included in the estimates presented in this document, the study tasks are designed to maximize the impact of the exposure by contacting U.S. exporters and making them aware of this opportunity and the priority of the Magdalena River Project in Colombia.

Potential U.S. Suppliers of Equipment, Technology and Services

There are many companies in the United States that manufacture equipment, provide the needed technology and offer services in support of river port development programs such as the proposed development on the Magdalena River in Colombia. A list of potential U.S. Suppliers of maritime sector equipment and related services is provided in Table 5.

Table 5: Potential U.S. Suppliers of Maritime Sector Equipment and Services

Export Category	Company Name	Website
Barge Manufacturing and/or Services	American Commercial Lines, Inc.*#	www.aclines.com
	Seacor Holdings, Inc.*#	www.seacorholdings.com
	Kirby Corporation	www.kirbycorp.com
	Canal Barge	www.canalbarge.com
	Ingram Barge	www.ingrambarge.com
	AEP / Memco	www.aepriverops.com
	Trinity Marine Products, Inc.*	www.trin.net
	Maybank Industries*#	http://www.maybankindustries.com
	Bollinger*#	www.bollingershipyards.com
	Eastern Shipbuilding*#	www.easternshipbuilding.com
Cranes and Cargo Handling Equipment	Bobcat Company	www.bobcat.com
	Terex	www.terex.com
	John Deere	www.deere.com
	Manitowoc	www.manitowoc.com
	Mi-Jack	www.mi-jack.com
	Joy Manufacturing	www.joy.com
Bulk Loading and Unloading Systems	Robins	www.krupprobins.com
	Marco/Continental	marcosolutions.net
	A.O. Smith	www.aosmith.com
	P&H	www.phmining.com
	Link-Belt	www.linkbelt.com
	Caterpillar	www.cat.com
	Hyster	www.hyster.com
Engineering Services	Moffatt & Nichol	www.moffattnichol.com
	BergerABAM	www.abam.com
	Halcrow/CH2M Hill	www.halcrow.com
	Jacobs Engineering	www.jacobs.com

Export Category	Company Name	Website
	Aecom	www.aecom.com
	Parsons	www.parsons.com
	TEC Engineering, Inc.	www.teceng.com
Container Scanning	Rapidscan	www.rapiscansystems.com
	Science Applications International Corp	www.saic.com
	ScanTech Sciences	www.scantechsciences.com
	InstroTek, Inc.	www.instrotek.com
Radiological detection equipment & Optical Character Recognition	Thermo Scientific	www.thermoscientific.com
	SAIC	www.saic.com
	Canberra Industries	www.canberra.com
	GE Security	www.gesecurity.com
Surveillance Equipment & vehicular controls: Facility & Transport Corridor	General Dynamics	www.generaldynamics.com
	3M	www.3m.com
	ADT	www.adt.com
	Barantec, Inc	www.barantec.com
Computer monitoring Software	Computer Associates	www.ca.com
	IBM	www.ibm.com
	Oracle	www.oracle.com
	Unisys	www.unisys.com
Network hardware connections & facilities	Raytheon	www.raytheon.com
	Honeywell	www.honeywell.com
	CISCO	www.cisco.com
	Texas Instruments	www.ti.com
	Boeing	www.boeing.com
	Northrop Grumman	www.northropgrumman.com

* Manufactures barges # Manufactures self-propelled vessels

Approach to Facilitate U.S. Exporters Involvement in Project Implementation

In order to facilitate the involvement of U.S. exporters in the project to be studied through the USTDA supported study, the TOR has included the following tasks:

1) Develop specifications that can be used by the Project Sponsor or prime contractors to acquire equipment.
2) Consideration of a design-build contract to expedite the project.
3) Contact U.S. manufacturers of needed equipment and provide a list of suppliers interested in sourcing needed equipment to project sponsor.
4) Provide brochures, technical booklets, specs, and other relevant info regarding equipment recommended to be acquired or services to be procured to be included as annex to Final Report
5) Distribute information about upcoming procurements to interested U.S. firms once the Project schedule has been approved for inclusion in the Final Report.

F. Foreign Competition and Market Entry Issues

European as well as Japanese firms have historically competed to provide many of the equipment and services listed in the Export Potential section above. Recently, Chinese companies have also been winning contracts in Colombia. U.S. companies, however, have been able to maintain a good market presence in Colombia, because of the proximity to the U.S. and the close commercial ties between the two countries.

Some of the companies supplying equipment to the GPC companies in the past include: ZPMC - STS Cranes, Kalmar RTGS and Trucks, Thinking Steel – Warehouse, ESL Power Systems– Transformers, Reefer outlets and other electric supplies, Cummins Inc. – Engines, Genie and JLG Manlifts, One Seal – Container Security Seals, Carolina High Masts – Light Masts, and O´Brain – Power Pack.

The recently approved Free Trade Agreement (FTA) between the U.S. and Colombia will also facilitate the participation of U.S. companies in the Colombia marketplace.

Cargo Handling Equipment

Amongst the European providers of cargo handling and material handling equipment are Lieibherr, Gottwald, Reggiane, Siemens, Cargotec/Kalmar, Krupp and Buhler. Japanese companies in the equipment markets include Mitsubishi, Hitachi, Kobalco and Tadano. Increasingly, Chinese companies are also providing some of this equipment (such as CMC and Shanghai Guanbo).

Engineering and Construction Services

European, Chinese, and South American companies also aggressively compete in the engineering, construction, and dredging services market. Large contractors with international operations include large Brazilian and Argentinean contractors, such as Odebrecht, Andrade Gutierrez and Techint, and European contractors, such as Dragados, FCC, Ferrovial and Hochtief. Chinese companies also increasingly provide engineering and construction services (including the recently announced study of navigation on the Magdalena River by HidroChina).

Dredging Services

Dredging contractors include Jan de Nul, China Harbour Engineering, Van Oord and Boskalis. DHV and Royal Haskoning are two well-known Dutch engineering companies with a dredging and river engineering worldwide consulting practice.

Vessel Construction and Services

Vessel builders and vessel service providers include UABL, a company based in Argentina, Naviera Fluvial, based in Colombia, Trafigura based in Netherlands, and several U.S. based companies, e.g. Seacor and ACL (for a list of other U.S. companies refer to Table 5)..

Market Entry and Competitive Position

There are no significant hurdles for U.S. companies to compete in the Colombia market. Notwithstanding all the competition from all areas of the world, the high quality and advanced technology of U.S. products and services, the proximity of Colombia to the US, and the recent approval of the FTA enable U.S. firms to successfully compete in all these markets. Furthermore, the selection of equipment suppliers may also be affected by financing terms and the local service available to maintain and repair equipment, as well what the warranty covers. Currency exchange can also affect competitiveness for U.S. products and services. The relationship with other currencies used by main competitors for the business, such as the Euro, can also affect bid results. These currency exchange factors will vary over time.

Colombia encourages foreign investment and the introduction of the latest technological advances to improve its infrastructure, including the process underway to improve navigation on the Magdalena River. USTDA has a rich and successful experience in Colombia, including prior experience with SPRC specifically and other port sector projects. Availability of Ex-Im Bank funds also can facilitate vendor financing for certain equipment purchases.

As is the case in most countries, most U.S. firms competing in the Colombian market for certain services need to associate and establish relationships with Colombian companies. Most U.S. companies are able to meet the regulatory and commercial requirements to do business in Colombia. SPRC and TFA are private companies, which makes it easier for U.S. companies to provide them services or equipment for these projects. Thus, there are many opportunities for U.S. firms to successfully compete in the projects that are being supported in this USTDA Study.

G. Development Impact

The likely development impacts from the project are discussed from two perspectives, Primary Development Benefits and Alternatives, considering the definitions established for USTDA support.

Primary Development Benefits

USTDA considers primary development benefits in four categories, i.e. Infrastructure, Human Capacity Building, Technology Transfer and Productivity Improvements, and Market Oriented Reforms. Only Infrastructure and Capacity Building apply for the project being considered for funding. In general, the project being considered can be expected to have positive economic development impacts and facilitate economic growth in the area of the new River Port and the surrounding region.

Infrastructure

The project would involve key steps towards implementing a new River Port in Colombia, where there has been limited inland navigation to feed the coastal ports of Cartagena and Barranquilla. As such, the project would develop a major inland port, and add to the limited existing infrastructure along the river.

The USTDA funded study would result in the construction of a River Port along the Magdalena River that would initially handle up to 60,000 TEUs, vehicles, and other general cargo. The study will further define the specific construction, dredging and equipment needs to develop terminals to handle different types of cargo, as demand increases. As such, it would result in lower costs to handle the general cargo with origin and destination in some of the major cities of Colombia (including Bogota and Medellin), thereby reducing costs for consumers and shippers. It would also make exports more competitive from the producing areas in the hinterland of the port (such as oil and coal). Furthermore, it can reduce costs for the transport of grains in the area. Most of these products and cargoes presently move primarily by road, so added benefits will likely include a reduction in congestion, lower investment costs for additional highway infrastructure, and reduced emissions.

As a result of the project's implementation, Colombia and the port's hinterland region will have an improved transport infrastructure to support the growing economy, businesses and export industries.

Human Capacity Building

The new River Port will create more than ten new jobs both in the terminal, as well as in the barge services and related logistics and distribution business development that is planned near the site. At the same time, there will be some reduction on the number of jobs in road transport volumes, which will be reduced by shifting the cargo movements to the barge services. The net long-term job creation should be significant as the terminal expands and the logistics center is developed. In addition, the project will create a significant number of jobs during the construction period, although those will not be permanent jobs.

The project will also result in the creation of more skilled jobs as equipment is introduced and inland navigation services are further developed. Further, the new river port is important to support major growth industries in Colombia and potentially support the development of new industries in the area, thereby creating a large number of permanent jobs in the coming decade. Although no training will be carried out through this USTDA Study, the new vessel services and cargo equipment being considered will also require some job training for their operation, maintenance and repair.

Alternatives

The main alternatives that exist are to continue with the status quo, transporting cargo between Cartagena/Barranquilla and inland locations by road, to develop a service by rail, or to develop a new river port facility elsewhere. The base alternative (no river port) would continue to offer cargo transport services to the same locations by road but at a higher cost than through the proposed inland waterways service. A rail service would be significantly more expensive to construct and would need a terminal somewhere in the country's interior to serve as a distribution point (similar to the proposed river port). The selected location for the river port was a decision considered by GPC before deciding to acquire the land.

The new river port will reduce costs to shippers, producers, and consumers, resulting in more competitive exports, lower import costs, and lower transportation costs to businesses and consumers

H. Impact on the Environment

It is expected that the project may pose potential impacts to the surrounding environment, either through the fill of wetlands areas, river and creeks relocation, pavement of undeveloped areas, eventual development of the surrounding area, dredging of a channel to the berth area, etc. Water pollution, wetland reductions, noise and air pollution may be possible impacts in both the construction and operation phases of the proposed development. In general though, the project will also have large positive economic development impacts and will create jobs that will benefit the region's population and the economy of Colombia.

The Project Sponsor is required to develop the project in accordance with environmental regulations and permitting procedures currently in place in Colombia and along the Magdalena River. In order to appropriately identify the potential impacts associated with the project, and in order to meet the requirements of the Cormagdalena Resolution establishing the terms for the concession agreement to be signed in the Spring of 2012, the Project Sponsor must obtain an Environmental License. An Environmental Impact Study is presently underway by Samin Ltda. This Study will establish any mitigation requirements or conditions that will have to be incorporated into the design of the project. One of the major areas of concern is the bodies of water that cross the site, requiring careful management of water resources, including the Marisonga wetlands and the Norean Creek. There are also many animal species in the area, such as ducks, crocodiles, other reptiles, etc.

Besides the impacts during the construction period, Cormagdalena has also established in its conditions for the concession agreement that TFA will have to meet all environmental regulations once the terminals are operating. TFA will have to submit its operating procedures for approval of Cormagdalena and will have to assure that it is complying with all sanitary and environmental requirements.

As part of the Technical Assistance Program, the Contractor shall undertake a review of the impacts of the recommended project on the environment, consistent with local environmental requirements and standards established by international financing institutions, based on the documents already available from the Environmental Impact Study under development. This review shall identify any potential negative impacts and discuss the extent to which they can be minimized. Areas to be considered include wetlands destruction, noise pollution, air quality, erosion control, river relocation, dredging and disposition of materials, bank protection, water quality, hazardous materials handling, and other potential impacts, with the intent to identify areas where these impacts should be mitigated at various stages of project development. In most cases, port facilities can be designed and built in ways that mitigate many of the adverse impacts that may result.

Colombia, the State of Cesar, and Cormagdalena have a very developed environmental code that provides for protection of fragile environments and the mitigation of impacts caused by a new port project such as the one being considered by TFA. Under the existing regulations, no work can take place unless the significant negative impacts on the environment have been considered and mitigated. In Colombia, the Ministerio de Ambiente y Desarrollo Sostenible (MADS) or Ministry of the Environment and Sustainable Development is the national public agency responsible for matters related to the environment, including the formulation and adoption of related regulations and policies. The State Agency that issues the environmental license is Corpocesar, the Environmental Authority of the State of Cesar.

The project design that results from this USTDA funded study will need to obtain necessary approvals and permits from Corpocesar in conformance with state and national environmental laws.

I. Impact on U.S. Labor

There is no reason to believe that this project would have any negative impact on U.S. jobs. Specifically:

- The proposed investments do not provide financial incentives to any U.S. firm to relocate to Colombia.
- The project will not contribute to any violations of internationally-recognized workers' rights and the proposed investments do not induce or support such activities.
- The proposed investments do not provide direct assistance for expanding the production of any commodity for exports.

The project is expected to have a positive impact on U.S. exports directly and indirectly as follows:

- The export potential described in Section E above will generate jobs with U.S. manufacturers and exporters, and
- The continuation and strengthening of Colombia's development will provide additional opportunities for U.S. businesses. It should be noted that the growth of Colombia's economy is strongly and positively correlated with U.S. exports, which increased by 73% between 2005 and 2009 (from US $5.5 billion to $9.5 billion according to the U.S. International Trade Administration). The FTA that will become effective soon will further facilitate trade between Colombia and the US.

J. Justification

The request for USTDA assistance in funding the Design of the TFA Magdalena River Port in Colombia is justified for the following main reasons:

1) *Export potential is significant*. The estimates of U.S. exports indicate that the potential value of the exports is much greater than the funding assistance from USTDA. Further, many of the needed investments are to be implemented in the near term, increasing the potential for U.S. exports. In addition, U.S. companies are already involved working on this priority project or are negotiating for a role on important aspects of the new port development and/or operation. The proximity of Colombia to the US, the recent Free Trade Agreement, and the rapid economic growth in the country are all factors that increase the likelihood of the project's near term success and further facilitate significant U.S. exports to develop the project.

2) *Major ongoing infrastructure investments in the area are underway*. SPRC and its affiliated companies are part of a group of private companies that resulted from the government's port privatization process. They have successfully continued to develop and expand their terminals. The River Port is their next priority. They envision not only a River Port, but

eventually they anticipate rail access to the site and development of substantial warehousing and distribution facilities to create a Logistics/Distribution Center surrounding the port. At the same time, the Government of Colombia and other private companies are investing in the future development of the Magdalena River area. The government has announced several major initiatives in the area, including development of a Master Plan for regional development, a program to improve navigation on the river, and a highway improvement program to better connect the national highway to the river area and the new terminals under development.

3) *Sponsor's successful business record, priority and implementation funding availability.* TFA and its affiliated companies have successfully managed the port terminals in the Cartagena Area and have grown the companies in a financially sound manner. The companies have already devoted substantial resources to preliminary planning and environmental assessments. They have the financial resources and are committed to the project's implementation as a high priority as part of their strategic growth plan. The GPC companies have lines of credit available and can also structure other financing with guarantees of project revenues or with the group companies as co-debtors. Further, they can and have stated they are pursuing other companies to possibly share the risk of some of the needed investments. The Sponsor's commitment and priority to the project is further indicated by their pledge to provide over US $200,000 of their own funds as a cost share for the USTDA study.

4) *Potential for U.S. firms participation as a partner or supplier in the project development*. At least one of the terminals in the River Port can potentially be developed in partnership with a major U.S. firm. In addition, some of the project construction can be developed through a fast track contracting approach, which could benefit from the involvement of experienced U.S. firms working in collaboration with local firms. One U.S. firm has been heavily involved in the conceptual studies for the new River Port and has a continuing involvement in various port engineering contracts for planning and design of port facilities for SPRC and its affiliated companies. This USTDA funding assistance will also develop the procurement specifications and recommend an approach and financial plan for the contracts to further develop the River Port.

5) *Potential for U.S. exporters' involvement as equipment providers*. The equipment needs to develop the river port include cargo handling equipment, conveyor belts, other material handling equipment, storage tanks, trucks, barges and tow boats, etc. Colombia is an open market where U.S. companies compete successfully and several exporters have been past suppliers to SPRC and its affiliated companies. The USTDA proposed Work Program has been structured to provide more information about potential exporters to the Project Sponsor as well as provide information to interested U.S. firms. The Work Program includes the development of specifications for some of the equipment to be procured in the near term.

6) *Foreign competition.* European, Chinese, Japanese and other foreign competitors are actively involved in the Colombian port market. The involvement of USTDA through this financial assistance can help promote U.S. company involvement with the Project Sponsors and further encourage use of U.S. sourced equipment and services in the future.

K. Recommendations

A USTDA grant is recommended to fund this seven-month study. The Study will conduct engineering and financial feasibility studies and prepare Preliminary Design Plans for the initial phase of the new TFA Magdalena River Port in Colombia (see study schedule in Annex I). The Project Sponsor, TFA, would fund the remaining costs as its cost-share.

It is recommended that USTDA obtain the agreement of the Project Sponsor and clearly establish a deadline for the Project Sponsor to provide all needed information and data to the U.S. Firm contracted by USTDA. In particular, since TFA will take on the responsibility for the survey and site investigations, in accordance with the project schedule, and will need to provide inputs and comments on the early tasks results to the Contractor in order to advance to later tasks, it is recommended that the Project Sponsor should name a Project Coordinator. The Project Coordinator's main role is to assure all needed feedback and decisions are provided to the Contractor in a timely manner, so as to comply with the recommended schedule.

ASCENDANT
PROGRAM SERVICES

Annex I:
Study Schedule & Deliverables

Annex II: Design of Magdalena River Port in Colombia
Project Schedule & Deliverables

Task	Total Duration	Months Commencing from Start of Project						
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
PHASE I: Technical Assessment	8 weeks							
Task 1: Review Existing Site Conditions and Prior Studies	4 weeks							
Task 2: Site Visit and Existing Conditions Summary Report	2 weeks							
TFA Site Survey and Site Investigations	5 weeks							
Task 3: Market Analysis and Demand Forecasts	6 weeks							
Task 4: Master Development Plan and Functional Requirements	6 weeks							
PHASE II: Project Design and Equipment Specifications	10 weeks							
Task 5: Site Preparation and Basis of Design Report	3 weeks							
Task 6: Site Preparation Basis of Design Report Presentation No. 1	1 week							
Task 7: Preliminary Terminal Design	6 weeks							
Task 8: Preliminary Equipment Specifications	6 weeks							
Task 9: Conceptual Design of Coal and Oil Facilities	4 weeks							
Task 10: Design Report Presentation No. 2	1 week							
PHASE III: Project Evaluation	9 weeks							
Task 11: Economic Analysis	2 weeks							
Task 12: Financial Analysis and Financing Options	5 weeks							
Task 13: Environmental Assessment	3 weeks							
Task 14: Development Impacts	2 weeks							
Task 15: Final Report	4 weeks							
Deliverables								
Report/Project Presentation								
Final Report								

Contractor
TFA
Phase

A N N E X 3

USTDA NATIONALITY REQUIREMENTS

U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-2131

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:

1) <u>Rule</u>

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a “U.S. firm” as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a “U.S. firm” if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3) Definitions

“Source” means the country from which shipment is made.

"Origin” means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.

A N N E X 4

USTDA GRANT AGREEMENT,
INCLUDING MANDATORY CONTRACT CLAUSES

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GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and Terminal Fluvial Andalucía, S.A. (Andalucia River Terminal or "TFA") ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Grant Agreement US$550,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Construction of Andalucia Port on the Magdalena River ("Project") in Colombia ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the Study ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the Study ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The Study will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the Study shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, USTDA, the Grantee, and the Contractor shall not directly or indirectly provide, offer or promise to provide money or anything of value to any public official in violation of any United States or Host Country laws relating to corruption or bribery.

4. Grantee Responsibilities

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(A) The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

(B) In addition to the support provided for by Article 4(A) above and the USTDA funding provided under this Grant Agreement, the Grantee shall provide a cash contribution of $166,667 on a *pro rata* basis in proportion to the funding being provided by USTDA to partially fund the costs of goods and services required for the completion of the Terms of Reference (USTDA US$550,000: Grantee US$166,667). The Grantee shall pay the $166,667 directly to the Contractor in accordance with the procedures set forth in the Payment Schedule Requirements in Clause H(2) of the

USTDA Mandatory Clauses in Annex II. In addition, the Grantee shall be solely responsible for separately paying all local taxes in Colombia applicable to this amount (except Colombian withholding taxes). The Grantee shall also directly cover the cost of the required topographical and hydrographic surveys and site investigations (as specified in the Terms of Reference in Annex I of this Grant Agreement), lodging, local transportation, and site visits for Contractor personnel. The above-referenced cash and in-kind contributions shall be collectively referred to as the "Grantee Cost Share".

5. Contract Matters and USTDA's Rights as Financier

(A) Grantee Competitive Selection Procedures

Selection of the U.S. Contractor for this fixed price Study shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities (www.fedbizopps.gov)*. Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA's Right to Approve Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 16 below upon selection of the Contractor to perform the Study. USTDA then shall notify the Grantee whether or not USTDA approves the Grantee's Contractor selection. Upon USTDA approval of the Grantee's Contractor selection, the Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Study that they were not selected. The Grantee and the Contractor then shall enter into a contract for performance of the Study.

(C) USTDA's Right to Approve Contract Between Grantee and Contractor

(1) Contract

The Grantee and the Contractor shall enter into a contract for performance of the Study. The Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 16 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract. USTDA then shall notify the Grantee and the Contractor whether or not USTDA approves the contract.

(2) Amendments and Assignments

The Grantee or the Contractor may submit any proposed amendment to the contract, including any proposed amendment to any annex thereto, or any proposed assignment of the contract, to USTDA at the address set forth in Article 16 below. USTDA then shall notify the Grantee and the Contractor whether or not USTDA approves the proposed amendment or assignment.

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

(E) Grant Agreement Controlling

Regardless of USTDA approval, the rights and obligations of any party to the contract or any subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and the contract or any subcontract funded by the Grant Agreement, the Grant Agreement shall control.

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

(B) Contractor Invoice Requirements

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The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

(C) Timing of Disbursement

The Grantee shall disburse the Grantee Cost Share of US$166,667 to the Contractor to complete the Terms of Reference per Article 4(B) of this Grant Agreement on a pro rata basis in proportion to the funding being provided by USTDA. The Grantee is solely responsible for separately paying any applicable Colombian value-added tax (*impuesto al valor agregado* or "IVA"). Under no circumstances shall USTDA be obligated to disburse any amounts greater than the Grant funds nor shall Grant funds be used to pay any taxes (other than de minimis taxes) to any tax authority in Colombia.

7. Effective Date

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is April 30, 2013, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (i) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (ii) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

9. USTDA Mandatory Contract Clauses

All contracts funded under this Grant Agreement shall include the USTDA Mandatory Contract Clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA Mandatory Contract Clauses, except for clauses B(1), G, H, I, and J.

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under this Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(B) Marine

Transportation by sea of property funded under this Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

11. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and professional services funded by USTDA under this Grant Agreement:

(a) the Contractor must be a U.S. firm;

(b) the Contractor may use U.S. subcontractors without limitation;

(c) employees of U.S. Contractor or U.S. subcontractor firms shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the United States, except as provided pursuant to subpart (d) below;

(d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;

(e) a Host Country subcontractor may only be used for specific services from the Terms of Reference identified in the subcontract;

(f) subcontractors from countries other than the United States or Host Country may not be used;

(g) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and

(h) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

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USTDA will make available further details concerning these provisions upon request.

12. Taxes

USTDA funds provided under this Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country, except for taxes of a de minimis nature imposed on local lodging, food, transportation, or airport arrivals or departures. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for taxes, tariffs, duties, fees or other levies, except for taxes of a de minimis nature referenced above.

13. USTDA Project Evaluation

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report, the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project. Inquiries will include, but not be limited to, whether the Final Report recommendations have been or will be used to implement the Project, anticipated Project implementation timeline, and likely source of financing. In addition, the Grantee agrees to notify USTDA any time the Grantee selects a new primary contact person for this Project during the five-year period referenced above.

14. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the Study and this Grant Agreement adequate to demonstrate implementation of its responsibilities under this Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the Study and the Grant Agreement.

15. Representation of Parties

For all purposes relevant to this Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by its CEO. The parties hereto may, by written notice, designate additional representatives for all purposes under this Grant Agreement.

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16. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through an electronic medium that produces a tangible record of the transmission, such as a facsimile or e-mail message, and will be deemed duly given or sent when delivered to such party at the following:

To: Alfonso Salas Trujillo
Chief Executive Officer
Terminal Fluvial Andalucía, S.A.
Manga, Terminal Marítimo
P.O. Box 7954
Cartagena de Indias, D.T.y C
Colombia

Phone: (57-5) 650 2201
E-Mail: gerencia@sprc.com.co

To: Country Manager for Colombia
U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone:	(703) 875-4357
Fax:	(703) 875-4009
E-Mail:	grantnotices@ustda.gov and lac@ustda.gov

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial or Economic Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.:	1112/131001
Activity No.:	2012-51014A
Reservation No.:	2012160
Grant No.:	GH201251160

17. Implementation Letters

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by this Grant Agreement. USTDA may also issue implementation letters to (i) extend the estimated completion date set forth in Article 8(A) above, or (ii) change the fiscal data set forth in Article 16 above. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by this Grant Agreement.

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18. Grant Agreement Amendments

Either party may submit to the other party at any time a proposed amendment to the Grant Agreement. A Grant Agreement amendment shall be effective only if it has been signed by both parties.

19. Termination Clause

Either party may terminate this Grant Agreement by giving the other party written notice thereof. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the Study, except for payments that may be made pursuant to Clause I of the USTDA Mandatory Contract Clauses set forth in Annex II to this Grant Agreement. This article and Articles 5, 12, 13, 14, and 21 of the Grant Agreement shall survive termination of the Grant Agreement.

20. Non-waiver of Rights and Remedies

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

21. U.S. Technology and Equipment

By funding this Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

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IN WITNESS WHEREOF, the Government of the United States of America and Terminal Fluvial Andalucía, S.A., each acting through its duly authorized representative, have caused this Grant Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

For the Government of the United States of America

By: ______________

Date: 4/24/2012

Witnessed:

By: ______________

For Terminal Fluvial Andalucía, S.A.

mb By: ______________

Date: 24 ABRIL 2012

Witnessed:

By: ______________

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

Purpose and Introduction

The purpose of this Study is to prepare preliminary design plans for the initial phase of operations and conceptual designs for the coal and oil terminal facilities for a new inland river port along the Magdalena River in Colombia. The Grantee, Terminal Fluvial Andalucía, S.A. (Andalucía River Terminal or "TFA"), is a private company established to undertake the concession for the construction and operation of the new river port. TFA is a member company of Grupo Puerto de Cartagena (GPC), headquartered in Cartagena. Under the management of Sociedad Portuaria Regional de Cartagena (SPRC, the flagship company of GPC), the Port of Cartagena and its sister facility, Container Terminal Cartagena ("Contecar"), have experienced a substantial increase in the volume of cargo handled over the last decade.

The intent of the Grantee is for the river port facility to function as a feeder port to handle a variety of commodities that benefit from reduced transportation costs between the marine terminals in Cartagena and Barranquilla and inland destinations within Colombia. The development effort will be focused on terminal property currently owned by the parent company of the Grantee. The river terminal will also have the added benefit of lower dwell time for the cargo terminals in Cartagena and Barranquilla.

The new river port will be located on a 365-hectare site in the vicinity of Gamarra, about 496 kilometers upstream from the Caribbean coast. The proposed port would include facilities designed to handle a variety of commodities including containers, vehicles, coal, oil, and other solid and liquid bulk products. The Grantee and its affiliated companies have conducted various studies to define the operating concept for the new river port, evaluate alternative layouts, consider environmental impacts, estimate development costs, and consider the financial viability of the project.

The river port concept as presently defined includes the following elements: dredging, container berth, general cargo berth, general infrastructure, fuel area tanks and equipment, coal terminal, and dry bulk storage silos and sheds. For the initial phase, a multipurpose terminal is proposed, with a single marginal wharf 110 meters in length and an adjacent open storage area of 8 hectares. Major project elements include dredging and bank protection, container berth, container and general cargo yard, and general infrastructure.

The initial phase of the project was defined to include key elements of the eventual complex that are essential for opening the facility to handle the existing demand for containers and vehicles. The long-term plan and the initial phase need to be reviewed in light of the approach to the initial phase design, to be defined in this study, as well as ongoing environmental, financial, and other work. Expansion of the river port will proceed as needed to handle larger volumes and additional commodities (i.e., coal, oil, and grains).

The purpose of the study is to consider engineering, technology, and equipment/infrastructure needs to develop a modern, cost-effective feeder port to Cartagena and Barranquilla on the Magdalena River. More specifically, the objectives of the Study are to:

1. Review and update prior market analysis and demand projections for the river port.
2. Prepare a Master Development Plan to fully develop the river port site, a phased approach to implement the plan, and a Capital Improvement Program for the first five years, showing cash flow requirements by year.
3. Consider site stabilization needs, including evaluation of alternative reclamation and site drainage solutions for terminal development.
4. Develop design plans and specifications at a sufficient level of detail to allow bidding of the initial phase of the project (to handle containers and vehicles).
5. Develop concept design plans for the coal, oil and other solid and liquid bulk facilities
6. Define equipment needs and potential US sources of supply.
7. Prepare technical specifications for major equipment to be acquired.
8. Carry out a financial analysis.
9. Consider financing options, based on the requirements of financial institutions, in order to obtain financing for the project; and
10. Carry out an economic, environmental, and development impact analysis of the project.

The demand forecasts, Master Development Plan, and the financial/impact analysis to be produced shall primarily be based on an update of the prior and ongoing analysis by the Grantee.

Initial meetings and a site visit will be scheduled after the review of prior and ongoing studies at the outset of the Study and interim meetings will be held with the Grantee at appropriate points to review key results and design decisions. All of the Contractor's reports and presentations shall be in English. However, Contractor's Project Manager and key personnel shall be able to read and communicate fluently in Spanish. The Contractor shall carry out the tasks for this Study as described below.

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Task 1: Review Existing Site Conditions and Prior Studies

The main objectives of this task are to obtain and review all available relevant information regarding the existing site conditions, prior studies, as well as the status and preliminary results of other ongoing studies. Upon contract signature, the Grantee shall provide the Contractor all available data, prior reports, as well as contact information and preliminary results for other ongoing studies. Available documents, prior studies and available data to be reviewed include:

1.1 Previous reports on site conditions and demand:

1.1.1 Hydraulics and bathymetry reports, in order to examine and evaluate flood elevations and establish the maximum elevation of the river, which in turn controls the elevation of the marine structures and storage areas required for the expected commodities and land connections, study flow rates and river discharges as well as recorded measurements of currents on site, and analyze bathymetric surveys along the property frontage and topographic maps of the Project site.

1.1.2 Geotechnical information to identify the most adequate dredging methods and assess the suitability of the material to be potentially used as land fill.

1.1.3 Cargo projections for the Magdalena and the river port system, in order to determine the basis of design and facility needs for the proposed river port.

1.2 Previous concept studies, assessing issues such as:

1.2.1 Functional requirements with the aim of confirming necessary berth lengths and storage areas.

1.2.2 Design considerations to meet local construction capabilities, materials source options and costs, including dredging, land reclamation, shoreline protection, wharves, yard areas, entrance gate, roadways, rail, and utility systems.

1.2.3 Alternative arrangements in terms of investment cost, including facilities and storage areas for various kind of cargo.

1.2.4 General arrangement and elevation drawings of the proposed alternative designs, illustrating the major features of the terminal's facilities and operations.

1.2.5 Development recommendations since the Project will be phased over time to address market expectations.

1.2.6 Cost estimates both for the full build out case and a first phase of development.

1.3 Other relevant documents, including:

1.3.1 Legal authority, proposed organization responsible for operation, staffing, operating costs, revenues, as well as other readily available information on the planned operation and anticipated financing

1.3.2 Prior financial analysis and alternative financing arrangements under consideration

1.3.3 Technology, equipment and vessel design studies and acquisition plans as well as available vessels and other equipment that can be used for the start of the river and port operation.

1.3.4 Available and planned upgrades of intermodal software

1.3.5 Environmental analysis and studies

1.3.6 SPRC and affiliate annual reports, equipment inventories, operational manuals, capital improvement programs, budget documents, safety assessments or inspections carried out by international and regional organizations

Task 2: Site Visit and Existing Conditions Summary Report

After the initial review of all available relevant information, key Contractor staff shall visit the Project site. Issues identified based on the review of available data and prior studies as well as the site visit will be noted. During the on-site visit, Contractor shall take photographs, record major design issues encountered, and identify other problems that will need to be resolved.

Contractor shall carefully review drainage issues and data requirements to consider alternative solutions to build needed facilities on a cost effective basis in low lying areas of the site near the river shore. Contractor shall provide Grantee with recommendations for field data collection within three weeks of Contract signature. The Contractor shall specifically:

2.1 Identify any data gaps from the survey information and develop scope for additional surveys needed, including topographic, hydrographic and environmental surveys.

2.2 Determine data gaps in previous geotechnical reports to prepare scope for a new geotechnical investigation. The primary objectives of the new investigation will be to determine foundation conditions under the proposed retention structure, wharves, pavements, buildings and grade separations.

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Needed missing information regarding demand, economic, financial, river services, and environmental issues shall also be assembled during the site visit and follow-up meetings shall be scheduled to obtain such data, if available. In coordination with Grantee, Contractor shall hold meetings with regional commerce and industry representatives, Cartagena and Barranquilla terminal operators; interested coal shippers (e.g., Grupo Trafigura); oil shippers, e.g. C.I. Pacific Fuels International (CIPFI), vessel operators on the river (e.g., Seacor), and Transporte Sanchez Polo (TSP); as well as governmental entities for the purposes of reviewing demand, cost and other needed information.

Deliverable: The Contractor shall prepare a detailed report of the existing conditions of the TFA site that includes all above information and submit it to Grantee for review, comments and suggestions. The report shall be the basis for developing the other tasks of the Study. Any essential missing information shall be listed in the report. Grantee shall provide any missing information while the Contractor proceeds with Task 3 and further tasks. Topographic and hydrographic surveys, geotechnical borings and investigations, and any other data gathering that are required for design shall be carried out by Grantee and provided at no cost to the Contractor as early as practicable after completion of Task 2. A conference call shall be held to review the Task 2 report and obtain comments. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 3: Market Analysis and Demand Forecasts

There have been several analyses of market potential for the Magdalena River in the past 15 years. In addition, SPRC has carried out a market analysis specifically to estimate the total volume of imports and exports that are generated in Bogota, Medellin, Itagui and La Estrella (Antioquia), the main inland areas which can potentially be served by river transportation connecting to the SPRC terminals in Cartagena. SPRC concluded that the volume of foreign trade that moves by road between these cities (which are close to the Magdalena River) and the SPRC terminals was approximately 300,000 TEUs in 2010.

The Contractor shall review prior market studies as well as the analyses carried out by SPRC. It shall gather additional available information on containerized cargo, vehicles, other general cargo, liquid bulk, coal, and other solid bulk cargoes that have origins or destinations in the hinterland of the proposed river port and could move through both Cartagena and Barranquilla port terminals. The Grantee and its parent company have also discussed the potential for assembling coal, oil, and grains at the new river port with producers, vessel operators, and shippers in the surrounding region (e.g., CIPFI, TSP, Trafigura, Seacor, and Grupo Italcol). The Grantee shall provide contact information for key shippers of coal, oil, and other bulk commodities to the Contractor to facilitate obtaining cargo demand estimates on these commodities.

Based on all the available information, the Contractor shall prepare traffic projections for the river port based on the proposed facilities and vessel services to be available after the start of operations of various development phases. These projections shall be made relying primarily on discussions with potential users of the new river port and the available information on current users of port terminals in Barranquilla and Cartagena. The cargo projections at the river port and on the barge system connecting to the coastal terminals shall consider relative pricing of the alternative inland connections, the time and reliability of competing services, as well as overall demand for imports and exports by cargo type (including but not limited to new and expanded coal mine initiatives) in the hinterland area to be served by the river port.

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The initial development phase of the river port will be aimed primarily at attracting container cargo and vehicles. Therefore, the Contractor shall carry out a more detailed analysis of these market segments based on historical volumes in the past five years and the potential for shifting those volumes to the new river port from existing inland transportation services to both Cartagena and Barranquilla.

In considering the long-term development options, Contractor shall review available historical demand for each market segment, reflecting all influencing factors, i.e. past trends in Colombia's foreign trade in the river port's hinterland areas, prior traffic forecasts and underlying assumptions, and major drivers of export/import growth of various commodities. Major drivers to be considered include the region's economic growth, its competitiveness in world markets, the U.S.-Colombia Trade Promotion Agreement scheduled to enter into force on May 15, 2012, and the ongoing expansion of the Panama Canal.

Contractor shall define alternative development scenarios for forecasting future demand, based on the main drivers for regional commercial activity (i.e., consumption, coal and oil production, exports, and vehicle demand). These scenarios shall be considered as a base for a range of forecasts: high (optimistic), average (most likely) and conservative (pessimistic). Cargo forecasts shall be broken down into appropriate categories for the revenue forecasts and financial analysis. The forecasts shall be developed by year for the facility and equipment needs and utilization analysis. During the forecast development and analysis, Contractor shall consider the sensitivity of demand to key variables such as regional growth and domestic GDP growth.

Based on the forecasted future cargo volumes for the river's hinterland area for all relevant cargo types and commodities, as well as the additional space and other facilities to be completed at the river port in future phases and the future level of barge services to be provided, the Contractor shall develop forecasts of cargo potential by commodity and cargo types during future development phases of the river port (optimistic for sizing long term facilities, most likely for phased development, and pessimistic for the financial analysis).

The Contractor forecasts shall be presented by year for the concession period, with more detailed analysis and forecasts for the first five years of the operation for vehicles and containers and for the initial year after each additional development phase is completed.

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Deliverable: The Contractor shall prepare a report summarizing the market analysis and presenting the demand forecasts. A conference call shall be held to review the Task 3 report and obtain comments on the demand forecasts. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 4: Master Development Plan and Functional Requirements

The Contractor shall review the recommended Master Plan for the River Port Facility as developed by Moffatt & Nichol (M&N) in the Magdalena River Port Concept Study dated October 2011. Contractor shall also review the following documents:

1) Road access design studies prepared by EMDEPA (in Spanish)
2) Vessel studies conducted by DAMEN, DST and Robert Allan
3) Environmental Impact Study by SAMIN (in Spanish)
4) Study of Magdalena River and its shores near Gamarra, by EMDEPA (in Spanish)

The Contractor shall refine and update the above-referenced Concept Study and prepare a Master Development Plan layout for the long-term full utilization of the site, with appropriate provisions for phased development and expansion beyond the initial phase, in coordination with and considering the results of the various other ongoing studies.

Besides the maritime cargo facilities, the Master Development Plan shall accommodate, at a minimum, the following other future facilities within the available site:

1) Logistics and Distribution Zone including warehouses and related facilities for development of a logistics center
2) Rail yards and connections to handle coal and intermodal cargoes
3) Storage Tanks for handling liquid bulks (including crude oil)
4) Possible grain cargoes that may be handled at the facility

The Contractor shall provide as much flexibility as possible to expand the cargo throughput of various commodities and cargo types as demand shifts. Areas that could be shifted to other purposes in order to provide for flexibility as the phased development takes place shall be noted in the plan.

The Contractor shall also review the functional requirements and design features, as established in the M&N Concept Study, as well as the vessel fleet assumed in the vessel studies and the available fleet from existing service providers on the Magdalena River. Contractor shall confirm all design features, facilities and equipment to be provided in Phase I of the Master Development Plan.

Deliverable: Contractor shall prepare a report presenting the recommended Master Development Plan and the proposed development phases, with greatest detail provided for the initial development phase. A conference call shall be held to review the Task 4 report and obtain comments on the Master Development Plan. Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 5: Site Preparation and Basis of Design Report

The Contractor shall prepare a Site Preparation and Basis of Design Report for the initial phase of the operation at the river port, in accordance with the Master Development Plan, taking into consideration the long term future development phases.

The Site Preparation and Basis of Design Report will be coordinated with other ongoing studies, particularly the environmental study and the internal access road.

The recommendations for site preparation and basis of design shall be prepared after considering the following aspects: drainage, site elevation, soil stabilization needs, and similar issues that will affect the most cost effective solution for the facility design. For the overall site infrastructure, and for the design of each of the facilities, the Contractor shall carry out the following:

5.1 Utilize existing and new survey information to update the Existing Conditions Summary Report, including results from the requested surveys in Task 2.

5.2 For the berths and other substantial cost items (pavements, drainage, and structures), develop up to three alternative designs at a conceptual level together with preliminary construction budgets for phased development.

5.3 Make recommendations to the Grantee regarding the preferred option to be taken forward to preliminary design.

5.4 Define required dredging and its suitability as land fill, as well as identify sand borrow sources for land reclamation.

5.5 Determine site stabilization needs and methods post-filling. Estimate time impact on development schedule.

5.6 Develop basis of design and typical sections for wharves, piers and bank protection. Design shall include stability analysis and shoreline protection requirements. Prepare alternative site plans for the Phase I terminal development, including container and general cargo storage area layout, roadways, buildings, entrance gate, storm drainage, lighting, fire protection, water distribution, underground utilities, and pavements.

5.7 Prepare cost estimate for the site preparation concept design alternatives and select most cost effective alternative.

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Deliverable: The Contractor shall prepare a Site Preparation and Basis of Design Report that includes results and recommendations of Task 5 including an update of the Existing Conditions Summary Report, recommendations regarding the preferred alternative for site preparation and stabilization, concept design alternatives, and cost estimates. The draft of the report shall be submitted to the Grantee before the Interim Presentation (Task 6) to enable the Grantee to distribute it to other interested parties and prepare comments.

Task 6: Site Preparation and Basis of Design - Presentation No. 1

The Contractor shall arrange Presentation Meeting No. 1 with the Grantee and other interested parties regarding the site preparation and basis of design for the terminal's development. The purpose of the meeting shall be for the Contractor to present its findings and recommendations regarding the conceptual design and site preparation alternatives and related preliminary investment requirements. The Contractor, in consultation with the Grantee, shall prepare a summary of the meeting and adopted recommendations for further elaboration. This summary shall form the basis for the Contractor's final preparation of its investigations and recommendations, including selection of preferred alternative to advance through preliminary design for the initial phase and conceptual design for the coal and oil terminals.

Deliverable: The Contractor shall prepare a joint summary of the Presentation Meeting No. 1 regarding Site Preparation and Basis of Design, the conclusions and the recommendations for carrying out future tasks.

Task 7: Preliminary Terminal Design

The Contractor shall prepare preliminary drawings (30%), specifications, and cost estimates for the facilities of the initial phase of the operation at the river port, at a sufficient level of detail for inclusion in a Design/Build contract. The design shall be coordinated with other ongoing studies to define the vessels that will operate at the terminal and the access road connecting to the site (which are not part of the scope of this study). The internal access road will also not be part of the scope of this Study but Contractor shall exchange relevant information on this point with the Colombian firm Emdepa, which will prepare the design for the internal access road. Subject to confirmation based on the results of Task 5, the Contractor shall design the following facility elements:

1) Berth up to 200 m long to handle containers, vehicles and general cargo

2) Container storage yard with an initial capacity of up to 80,000 TEUs annually capable of being expanded in accordance with the Master Development Plan

3) Access Channel and related dredging plans to handle the design vessel(s) for the river port

4) Entrance gate complex with appropriate facilities to handle security, equipment interchange, and cargo release procedures, considering separation of containers and general cargo and other cargoes

5) Infrastructure needs for public services based on the long term plan requirements, with particular attention to drainage in the storage areas and the overall site which is affected by flows from three rivers or water sources (Quebrada Norean to the north, Magdalena to the west, and through the site, the Herrera Creek that flows from the Marisonga wetland)

6) Shore protection along river

Deliverable: The Contractor shall prepare a Preliminary Design Report for all the facilities required for the initial phase of operation of the container and vehicle terminal.

The Report shall be submitted to the Grantee before the related Presentation No. 2 (Task 10) so that Grantee may distribute it to other interested parties and prepare comments.

Task 8: Preliminary Equipment Specifications

The Contractor shall prepare an Equipment Acquisition Program showing the equipment needs for the first five years of the river port's operation, including barges and self-propelled vessels. The Equipment Acquisition Program shall include all equipment needs for the various terminals (i.e. containers, vehicles, coal, other solid bulk, crude oil, and other liquid bulks).

An Investment Plan for Equipment Acquisition shall be prepared concurrently with the Preliminary Facility Design to determine appropriate loads for structural design, as well as to develop a complete schedule of required investments. Depending on the selected strategy for phased development of the facilities, as well as the potential for utilization of available equipment from the SPRC facilities in Cartagena, some equipment investments will be scheduled for near term implementation while others may be deferred to reflect anticipated timing for additional equipment as demand grows.

The Contractor shall develop a schedule for procurement and technical specifications to acquire priority equipment for the Phase I operation. The specifications shall be developed so that they are available as acquisition of the needed equipment proceeds. The Procurement Schedule and Technical Specifications shall also be produced as a separate document that can be used to inform U.S. exporters interested in supplying the needed equipment.

The potential value of U.S. exports of equipment and services shall be estimated based on the projects to be pursued during the next five years as per Phase I of the Master Development Plan and the Equipment Acquisition Program. Contractor shall contact U.S. manufacturers of needed equipment and shall provide Grantee with a list of suppliers interested in sourcing needed equipment to project sponsors.

The list of U.S. suppliers shall include company name, contact information, contact person and a general description of products and services that may be procured from each company. The list shall be prepared after contact with the potential suppliers to determine their interest in competing in the Colombian marketplace, whether they have Representatives in the region, and their prior experience in responding to procurements for similar equipment.

In order to facilitate U.S. exporters' involvement in the implementation of the projects, copies of the draft equipment specifications shall be made available to interested US suppliers.

In addition, the Final Report shall include brochures, technical booklets, specs, and other relevant info from U.S. suppliers regarding the type of equipment to be acquired. These materials shall be referenced in and provided as an annex to the Final Report.

Contractor shall distribute information about upcoming procurements to interested U.S. firms once the Project schedule has been approved for inclusion in the Final Report.

Deliverable: The Contractor shall prepare an Equipment Acquisition and Specifications Report covering the equipment as described above. Contractor shall submit a draft of the report to Grantee before the related Presentation No. 2 (Task 10) with sufficient time to permit Grantee to distribute it to interested parties and prepare comments.

Task 9: Conceptual Design of Oil and Coal Facilities

The Contractor shall prepare conceptual drawings and cost estimates for the facilities of the initial phase of the coal and oil facilities in accordance with the Master Development Plan. The concept designs shall be coordinated with coal and oil shippers who expressed interest in using the TFA river port. Their specific needs will be reflected in the concept design in order to assist negotiations between the Grantee and the potential customers. Subject to confirmation based on the results of Tasks 3, 4 and 5, the Contractor shall prepare concept design drawings and cost estimates for the following facility elements:

1) Coal berth to handle 2 million metric tons annually with the capability for expansion up to 5 million metric tons annually

2) Coal storage areas for up to 2 million metric tons annually with the capacity for expansion up to 5 million metric tons annually

3) Crude oil pier with the capacity to handle 500,000 metric tons of crude product annually

4) Storage tanks and pipeline system to handle up to 500,000 metric tons of crude product annually

In addition, the Contractor shall prepare a general description of the equipment and estimated costs (e.g. conveyor belts, stackers, and other equipment associated with the design concepts proposed for the coal and oil terminals).

Deliverable: The Contractor shall prepare a Concept Design Plan for the Coal and Oil Terminals, covering the facilities and equipment as described above. Contractor shall submit the Concept Design Plan to TFA with sufficient time in advance of the related Presentation No. 2 (Task 10) in order to allow Grantee to distribute it to other interested parties and prepare comments.

Task 10: Design – Presentation No. 2

The Contractor shall arrange Presentation No. 2 with Grantee and other interested parties regarding the terminal's preliminary design for the initial phase of operation (containers and vehicles) and the conceptual design for the initial phase of the coal and oil facilities.

The purpose of the meeting shall be for the Contractor to present its findings and recommendations regarding the designs and investment requirements. The Contractor, in consultation with the Grantee, shall prepare a summary of the meeting and adopted recommendations for further evaluation in Phase III, including an Investment Plan with cost estimates reflecting the recommended design. The Investment Plan shall also include a schedule for facility construction, as well as vessel and equipment acquisition.

Deliverable: The Contractor shall prepare a joint summary of the Design Presentation Meeting conclusions and recommendations. The Contractor shall also provide a listing of key construction elements and equipment with the names and contact details of recognized U.S. companies that provide these services or items.

Task 11: Economic Analysis

An economic analysis shall be carried out for the proposed capital investments. Any alternatives to achieve the Project objectives shall also be noted. A cash flow analysis for disbursement of the Project investment requirements shall be carried out. The following possible impacts and benefits of the proposed projects shall be summarized:

1) Savings for the different groups of users;
2) Increases in capacity and utilization of space at the Cartagena and Barranquilla port terminals;
3) Other efficiencies; and
4) General opportunities and benefits that the Project will generate for the economy, such as economic development and foreign trade.

A summary of the economic analysis in support of the conclusions and recommendations about the Project's economic feasibility shall be prepared by the Contractor.

Task 12: Financial Feasibility Analysis and Financing Options

A financial feasibility analysis to consider financing options for the projects included in the investment plan shall be carried out. A simple financial viability analysis based on the traffic projections, estimated investment amounts, financing costs, and other costs will be prepared. The analysis shall include, among other things, the Project's profitability under different scenarios. Funding sources shall be discussed. The analysis will consider the currency exchange rate impacts, particularly on debt (i.e., taking into account the currency used to collect revenues as well as currency used to pay capital and operating costs, and currency of any debt assumed to finance the Project).

The financial model shall use projected traffic and financial data to generate cash flows, including the capital investment requirements, financing, revenues, and annual operating costs for the established concession period. As appropriate, data from similar operations shall be used for the analysis.

The financial analysis shall determine viability of the projects in terms of Net Present Value, Internal Rate of Return (IRR), and other financial criteria generally accepted in the international financial community. Contractor shall develop a sensitivity and risk analysis to evaluate the impact of changes in assumptions on the Project's critical variables such as demand and investment amounts. For these alternatives, which consider credit from domestic or international financial institutions, Contractor shall carry out an available cash flow sensitivity analysis for debt payments (i.e., debt coverage service levels, according to international accepted norms for this type of operations, considering the currency of revenues and debt service).

In order to define whether the investment is attractive, a minimum IRR will be estimated for the Project. The analysis and identification of financing sources -- including but not limited to the International Finance Corporation (IFC), Inter-American Development Bank (IDB), Andean Development Corporation (CAF), U.S. Export-Import Bank (Ex-Im Bank) -- shall culminate in a Financial and Investment Plan to support capital investment decisions. Contractor shall hold a conference call with Grantee to review the results of the Financial Analysis and financing options. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for developing the Study's recommendations. The financing section of the Final Report shall be prepared based on the conclusions of the conference call.

Task 13: Environmental Impact Overview

The Contractor shall conduct a review of the Project's environmental impact, including prior studies developed as part of the approval process for the concession as well as ongoing studies to obtain any required permits. The review will include reference to local requirements and those of relevant multilateral lending agencies such as the IFC, IDB, CAF, and Ex-Im Bank. This review shall identify potential negative impacts, discuss the extent to which they can be mitigated based on the recommended design, and develop plans for any further recommended environmental studies in anticipation of the Project moving forward to the implementation stage.

The Contractor shall also prepare an outline of the required environmental licensing procedures and a preliminary assessment of the terminal's impact and appropriate mitigating measures, reflecting the results of the previously completed environmental impact assessment and any conditions or mitigation measures that are included in the environmental agency approvals and design report. The Contractor shall prepare conclusions and recommendations for incorporating all mitigation measures and initiatives in the Final Report recommendations.

Task 14: Development Impact Assessment

The Contractor shall assess potential development impacts relating to the Project. These development impact factors are intended to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on the region. The analysis shall focus on what development impact is likely if the Project is implemented according to the Study recommendations. The Contractor shall specifically focus on examples of impacts from the two categories listed below, and develop a methodology for assessing these impacts over time. While specific focus shall be paid to the immediate impact of the Project, analysis shall include any additional developmental benefits that may result from the Project's implementation, including spin-off and demonstration effects. The analysis shall include an assessment of the following categories with respect to the Project's potential development impact:

1) *Infrastructure*: Provide a statement on the physical or financial infrastructure improvements that would result if the Project were implemented and an estimate of the scale of construction and installation expected.

2) *Human Capacity Building:* Estimate the number and type of jobs that would be created during the construction phase if the Project is implemented as recommended. Provide separate estimates of the number of jobs that would be created or sustained once installation is complete (or the number of jobs that would be lost due to reduced road transport to the coastal ports and other labor saving technology). In addition, an estimate of the jobs associated with the adjacent logistics center shall also be prepared. Comment on any prospective training recommended in the study, including an estimate of the number of persons to be trained, type of training needed, and the desired outcome of the training.

3) *Other:* Describe any other developmental impacts or benefits that would result from the Project, for example, follow-on or replication projects, or enhanced revenue flows to the region.

Deliverable: The Contractor shall prepare an Economic, Financial, Environmental and Development Impact Report to be incorporated into the Final Report. A conference call will be held to review the Task 11-15 results and obtain comments. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for developing the Final Report.

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Task 15: Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive Final Report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause J of Annex II of the Grant Agreement.

Contractor shall present a draft of the Final Report to Grantee for comments at a meeting to be held in Cartagena (Presentation No. 3). The presentation shall afford an opportunity for final discussions concerning the implementation of the recommended components of the Project's development and the recommendations of the Final Report. Based on the comments received and the conclusions at the meeting, the final version of the Final Report shall be prepared.

The Final Report shall be prepared and delivered to the Grantee and USTDA in accordance with Clause J of Annex II of the Grant Agreement. The Final Report and all deliverables shall be provided to the Grantee solely in English. Each of the above tasks in this Terms of Reference must be distinctly set forth in the Final Report in a substantive and comprehensive manner, and shall include all corresponding deliverables. Electronic versions (six copies) of each report shall be provided to the Grantee and USTDA on CD-ROM. The CD-ROM shall include:

1) Adobe Acrobat readable copies of all documents
2) Source files for all drawings in AutoCAD or Visio format
3) Source files for all documents in MS Office 2000 or later formats

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this Contract acknowledge that this Contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and Terminal Fluvial Andalucía, S.A. ("Client"), dated __________ ("Grant Agreement"). The Client has selected ______________ ("Contractor") to perform the feasibility study ("Study") for the Construction of Andalucia Port on the Magdalena River project ("Project") in Colombia ("Host Country"). The Client and the Contractor are the parties to this Contract, and they hereinafter are referred to collectively as the "Contract Parties." Notwithstanding any other provisions of this Contract, the following USTDA Mandatory Contract Clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA Mandatory Contract Clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and the Contract or any subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

This Contract, and any amendment thereto, including any amendment to any annex thereto, and any proposed assignment of this Contract, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the Contract conforms to modifications required by USTDA during the Contract review process and the Contract has been formally approved by USTDA. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor an English language version of a final negotiated draft Contract or a signed Contract to the attention of the General Counsel's office at USTDA's address listed in Clause N below.

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(2) USTDA Not a Party to the Contract

It is understood by the Contract Parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this Contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The Contract Parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the Contract. The Contract Parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the Contract Parties or the parties to any subcontract, jointly or separately; and in consideration of USTDA's role as financier, the Contract Parties further agree that USTDA's rights may be exercised without thereby incurring any responsibility or liability, in contract, tort, or otherwise, to the Contract Parties or the parties to any subcontract. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and professional services funded by USTDA under the Grant Agreement:

(a) the Contractor must be a U.S. firm;

(b) the Contractor may use U.S. subcontractors without limitation;

(c) employees of U.S. Contractor or U.S. subcontractor firms shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the United States, except as provided pursuant to subpart (d) below;

(d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;

(e) a Host Country subcontractor may only be used for specific services from the Terms of Reference identified in the subcontract;

(f) subcontractors from countries other than the United States or Host Country may not be used;

(g) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and

(h) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

USTDA will make available further details concerning these provisions upon request.

D. Recordkeeping and Audit

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the Contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the period of performance of work provided for by this Contract, and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

F. Workman's Compensation Insurance

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

G. Reporting Requirements

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, fax number, and e-mail address. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

H. Disbursement Procedures

(1) USTDA Approval of Contract

Disbursement of Grant funds will be made only after USTDA approval of this Contract.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. For each payment under the payment schedule, the Grantee shall pay the Grantee Cost Share directly to the Contractor in proportion to the funding being provided by USTDA (USTDA US$550,000: Grantee US$166,667).

Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total budget amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon Contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total budget amount, payable upon approval by USTDA of a Final Report that has been (i) prepared and submitted in accordance with the requirements set forth in Clause I below, and (ii) approved in writing by the Client in the manner provided for by Clause H(3)(b)(iii) below. Invoicing procedures for all payments are described below.

(3) Contractor Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by USTDA to the Contractor for performance of the Contract by submitting the following to USTDA:

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(a) Contractor's Invoice

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. The Contractor will receive the pro rata payments due to the Contractor under this invoice, in accordance with the applicable contract provisions and the terms and conditions of the USTDA Grant Agreement. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the

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USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For Contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its Contract with the Client and is entitled to payment thereunder. The Contractor will receive the pro rata payments due to the Contractor under this invoice, in accordance with the applicable contract provisions and the terms and conditions of the USTDA Grant Agreement. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its Contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. The Contractor will receive the pro rata payments due to the Contractor under this invoice, in accordance with the applicable contract provisions and the terms and conditions of the USTDA Grant Agreement. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For Contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

(c) USTDA Address for Disbursement Requests

Requests for disbursement shall be submitted to the attention of the Finance Department at USTDA's address listed in Clause N below, or by e-mail to invoices@ustda.gov.

I. Termination

(1) Method of Termination

Either Contract Party may terminate this Contract upon giving written notice to the other party and USTDA. This notice shall be effective after either 30 days, or any other period set forth elsewhere in this Contract. Furthermore, this Contract shall terminate immediately upon notification of USTDA's termination of the Grant Agreement or the term of availability of any funds thereunder.

(2) Ramifications of Termination

In the event that this Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for payment for the value of the work performed pursuant to the terms of this Contract. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the value of the work performed pursuant to the terms of this Contract.

(3) Survivability

Clauses B, D, G, H, I, and O of the USTDA Mandatory Contract Clauses shall survive the termination of this Contract.

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J. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

(a) One (1) complete hard copy of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) hard copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) hard copy of the Public Version of the Final Report to the Commercial or Economic Section of the U.S. Embassy in Host Country for informational purposes.

(3) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, and USTDA's address. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

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"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U.S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's address, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

"The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers, and e-mail address shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers, and e-mail address shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

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(g) The Client, USTDA, and the Commercial and/or Economic Section(s) of the U.S. Embassy in Host Country shall have irrevocable, worldwide, royalty-free, non-exclusive rights to use and distribute the Final Report.

K. Modifications

All changes, modifications, assignments or amendments to this Contract, including the appendices, shall be made only by written agreement by the Contract Parties hereto, subject to written USTDA approval.

L. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is April 30, 2013, is the date by which the Contract Parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

M. Cost Share

The Client agrees that, in addition to the funding provided by the USTDA Grant, it shall be responsible for ensuring that it contributes a cash contribution of $166,667 on a *pro rata* basis in proportion to the funding being provided by USTDA to partially fund the costs of goods and services required for the completion of the Terms of Reference (USTDA $550,000: Grantee $166,667). The Client shall pay the $166,667 directly to the Contractor in accordance with the procedures set forth in the Payment Schedule Requirements in Clause H(2) of the USTDA Mandatory Clauses in Annex II. The Client shall be responsible for separately paying all local taxes in Colombia applicable to this amount (except Colombian withholding taxes). In addition, the Client shall directly and separately cover the cost of the required topographical and hydrographic surveys and site investigations (as specified in Annex I), lodging, local transportation, and site visits for Contractor personnel. The above-referenced cash and in-kind contributions shall be collectively referred to as the "Client Cost Share".

N. Business Practices

The Contract Parties recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, the Contract Parties shall fully comply with all United States and Host Country laws relating to corruption or bribery. For example, the Contractor and its subcontractors shall fully comply with the requirements of the Foreign Corrupt Practices Act, as amended (15 U.S.C. §§ 78dd-1 et seq.). Each Contract Party agrees that it shall require that any agent or representative hired to represent it in connection with the Study will comply with this paragraph and all laws which apply to activities and obligations of that Contract Party, including, but not limited to, those laws and obligations referenced above.

O. USTDA Address and Fiscal Data

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009
Fiscal Data:

Appropriation No.:	1112/131001
Activity No.:	2012-51014A
Reservation No.:	2012160
Grant No.:	GH201251160

P. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country, except for taxes of a de minimis nature imposed on local lodging, food, transportation, or airport arrivals or departures. Neither the Client nor the Contractor will seek reimbursement from USTDA for taxes, tariffs, duties, fees or other levies, except for taxes of a de minimis nature referenced above.

Q. Export Licensing

The Contractor and all subcontractors are responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.

R. Contact Persons

The Client designates the following person as the contact person for matters concerning this Contract:

Name:
Title:
Phone:
Fax:
E-Mail:

The Contractor designates the following person as the contact person for matters concerning this Contract:

Name:
Title:
Phone:
Fax:
E-Mail:

If anyone designated by a Contract Party as a contact person ceases service as a contact person at any point during the ten-year period following the date of signing of this Contract, the Contract Party that had designated that contact person shall provide USTDA and the other Contract Party with the name and contact information of a replacement contact person.

S. Liability

This Contract may include a clause that limits the liability of the Contract Parties, provided that such a clause does not (i) disclaim liability for special, incidental, general, or punitive damages, or (ii) limit the total amount of damages recoverable to an amount less than the total amount disbursed to the Contractor pursuant to this Contract.

T. Arbitration

If the Contract Parties submit any dispute arising under this Contract for arbitration, the scope of any such arbitration shall be limited to the Contract Parties' rights and/or obligations under this Contract and may not extend to any right or obligation of USTDA. The arbitrator(s) shall not arbitrate issues directly affecting the rights or obligations of USTDA.

A N N E X 5

TERMS OF REFERENCE
(FROM USTDA GRANT AGREEMENT)

TERMS OF REFERENCE

Purpose and Introduction

The purpose of this Study is to prepare preliminary design plans for the initial phase of operations and conceptual designs for the coal and oil terminal facilities for a new inland river port along the Magdalena River in Colombia. The Grantee, Terminal Fluvial Andalucía, S.A. (Andalucía River Terminal or "TFA"), is a private company established to undertake the concession for the construction and operation of the new river port. TFA is a member company of Grupo Puerto de Cartagena (GPC), headquartered in Cartagena. Under the management of Sociedad Portuaria Regional de Cartagena (SPRC, the flagship company of GPC), the Port of Cartagena and its sister facility, Container Terminal Cartagena ("Contecar"), have experienced a substantial increase in the volume of cargo handled over the last decade.

The intent of the Grantee is for the river port facility to function as a feeder port to handle a variety of commodities that benefit from reduced transportation costs between the marine terminals in Cartagena and Barranquilla and inland destinations within Colombia. The development effort will be focused on terminal property currently owned by the parent company of the Grantee. The river terminal will also have the added benefit of lower dwell time for the cargo terminals in Cartagena and Barranquilla.

The new river port will be located on a 365-hectare site in the vicinity of Gamarra, about 496 kilometers upstream from the Caribbean coast. The proposed port would include facilities designed to handle a variety of commodities including containers, vehicles, coal, oil, and other solid and liquid bulk products. The Grantee and its affiliated companies have conducted various studies to define the operating concept for the new river port, evaluate alternative layouts, consider environmental impacts, estimate development costs, and consider the financial viability of the project.

The river port concept as presently defined includes the following elements: dredging, container berth, general cargo berth, general infrastructure, fuel area tanks and equipment, coal terminal, and dry bulk storage silos and sheds. For the initial phase, a multipurpose terminal is proposed, with a single marginal wharf 110 meters in length and an adjacent open storage area of 8 hectares. Major project elements include dredging and bank protection, container berth, container and general cargo yard, and general infrastructure.

The initial phase of the project was defined to include key elements of the eventual complex that are essential for opening the facility to handle the existing demand for containers and vehicles. The long-term plan and the initial phase need to be reviewed in light of the approach to the initial phase design, to be defined in this study, as well as ongoing environmental, financial, and other work. Expansion of the river port will proceed as needed to handle larger volumes and additional commodities (i.e., coal, oil, and grains).

The purpose of the study is to consider engineering, technology, and equipment/infrastructure needs to develop a modern, cost-effective feeder port to Cartagena and Barranquilla on the Magdalena River. More specifically, the objectives of the Study are to:

1. Review and update prior market analysis and demand projections for the river port.
2. Prepare a Master Development Plan to fully develop the river port site, a phased approach to implement the plan, and a Capital Improvement Program for the first five years, showing cash flow requirements by year.
3. Consider site stabilization needs, including evaluation of alternative reclamation and site drainage solutions for terminal development.
4. Develop design plans and specifications at a sufficient level of detail to allow bidding of the initial phase of the project (to handle containers and vehicles).
5. Develop concept design plans for the coal, oil and other solid and liquid bulk facilities
6. Define equipment needs and potential US sources of supply.
7. Prepare technical specifications for major equipment to be acquired.
8. Carry out a financial analysis.
9. Consider financing options, based on the requirements of financial institutions, in order to obtain financing for the project; and
10. Carry out an economic, environmental, and development impact analysis of the project.

The demand forecasts, Master Development Plan, and the financial/impact analysis to be produced shall primarily be based on an update of the prior and ongoing analysis by the Grantee.

Initial meetings and a site visit will be scheduled after the review of prior and ongoing studies at the outset of the Study and interim meetings will be held with the Grantee at appropriate points to review key results and design decisions. All of the Contractor’s reports and presentations shall be in English. However, Contractor’s Project Manager and key personnel shall be able to read and communicate fluently in Spanish. The Contractor shall carry out the tasks for this Study as described below.

Task 1: Review Existing Site Conditions and Prior Studies

The main objectives of this task are to obtain and review all available relevant information regarding the existing site conditions, prior studies, as well as the status and preliminary results of other ongoing studies. Upon contract signature, the Grantee shall provide the Contractor all available data, prior reports, as well as contact information and preliminary results for other ongoing studies. Available documents, prior studies and available data to be reviewed include:

1.1 Previous reports on site conditions and demand:

1.1.1 Hydraulics and bathymetry reports, in order to examine and evaluate flood elevations and establish the maximum elevation of the river, which in turn controls the elevation of the marine structures and storage areas required for the expected commodities and land connections, study flow rates and river discharges as well as recorded measurements of currents on site, and analyze bathymetric surveys along the property frontage and topographic maps of the Project site.

1.1.2 Geotechnical information to identify the most adequate dredging methods and assess the suitability of the material to be potentially used as land fill.

1.1.3 Cargo projections for the Magdalena and the river port system, in order to determine the basis of design and facility needs for the proposed river port.

1.2 Previous concept studies, assessing issues such as:

1.2.1 Functional requirements with the aim of confirming necessary berth lengths and storage areas.

1.2.2 Design considerations to meet local construction capabilities, materials source options and costs, including dredging, land reclamation, shoreline protection, wharves, yard areas, entrance gate, roadways, rail, and utility systems.

1.2.3 Alternative arrangements in terms of investment cost, including facilities and storage areas for various kind of cargo.

1.2.4 General arrangement and elevation drawings of the proposed alternative designs, illustrating the major features of the terminal's facilities and operations.

1.2.5 Development recommendations since the Project will be phased over time to address market expectations.

1.2.6 Cost estimates both for the full build out case and a first phase of development.

1.3 Other relevant documents, including:

1.3.1 Legal authority, proposed organization responsible for operation, staffing, operating costs, revenues, as well as other readily available information on the planned operation and anticipated financing

1.3.2 Prior financial analysis and alternative financing arrangements under consideration

1.3.3 Technology, equipment and vessel design studies and acquisition plans as well as available vessels and other equipment that can be used for the start of the river and port operation.

1.3.4 Available and planned upgrades of intermodal software

1.3.5 Environmental analysis and studies

1.3.6 SPRC and affiliate annual reports, equipment inventories, operational manuals, capital improvement programs, budget documents, safety assessments or inspections carried out by international and regional organizations

Task 2: Site Visit and Existing Conditions Summary Report

After the initial review of all available relevant information, key Contractor staff shall visit the Project site. Issues identified based on the review of available data and prior studies as well as the site visit will be noted. During the on-site visit, Contractor shall take photographs, record major design issues encountered, and identify other problems that will need to be resolved.

Contractor shall carefully review drainage issues and data requirements to consider alternative solutions to build needed facilities on a cost effective basis in low lying areas of the site near the river shore. Contractor shall provide Grantee with recommendations for field data collection within three weeks of Contract signature. The Contractor shall specifically:

2.1 Identify any data gaps from the survey information and develop scope for additional surveys needed, including topographic, hydrographic and environmental surveys.

2.2 Determine data gaps in previous geotechnical reports to prepare scope for a new geotechnical investigation. The primary objectives of the new investigation will be to determine foundation conditions under the proposed retention structure, wharves, pavements, buildings and grade separations.

Needed missing information regarding demand, economic, financial, river services, and environmental issues shall also be assembled during the site visit and follow-up meetings shall be scheduled to obtain such data, if available. In coordination with Grantee, Contractor shall hold meetings with regional commerce and industry representatives, Cartagena and Barranquilla terminal operators; interested coal shippers (e.g., Grupo Trafigura); oil shippers, e.g. C.I. Pacific Fuels International (CIPFI), vessel operators on the river (e.g., Seacor), and Transporte Sanchez Polo (TSP); as well as governmental entities for the purposes of reviewing demand, cost and other needed information.

Deliverable: The Contractor shall prepare a detailed report of the existing conditions of the TFA site that includes all above information and submit it to Grantee for review, comments and suggestions. The report shall be the basis for developing the other tasks of the Study. Any essential missing information shall be listed in the report. Grantee shall provide any missing information while the Contractor proceeds with Task 3 and further tasks. Topographic and hydrographic surveys, geotechnical borings and investigations, and any other data gathering that are required for design shall be carried out by Grantee and provided at no cost to the Contractor as early as practicable after completion of Task 2. A conference call shall be held to review the Task 2 report and obtain comments. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 3: Market Analysis and Demand Forecasts

There have been several analyses of market potential for the Magdalena River in the past 15 years. In addition, SPRC has carried out a market analysis specifically to estimate the total volume of imports and exports that are generated in Bogota, Medellin, Itagui and La Estrella (Antioquia), the main inland areas which can potentially be served by river transportation connecting to the SPRC terminals in Cartagena. SPRC concluded that the volume of foreign trade that moves by road between these cities (which are close to the Magdalena River) and the SPRC terminals was approximately 300,000 TEUs in 2010.

The Contractor shall review prior market studies as well as the analyses carried out by SPRC. It shall gather additional available information on containerized cargo, vehicles, other general cargo, liquid bulk, coal, and other solid bulk cargoes that have origins or destinations in the hinterland of the proposed river port and could move through both Cartagena and Barranquilla port terminals. The Grantee and its parent company have also discussed the potential for assembling coal, oil, and grains at the new river port with producers, vessel operators, and shippers in the surrounding region (e.g., CIPFI, TSP, Trafigura, Seacor, and Grupo Italcol). The Grantee shall provide contact information for key shippers of coal, oil, and other bulk commodities to the Contractor to facilitate obtaining cargo demand estimates on these commodities.

Based on all the available information, the Contractor shall prepare traffic projections for the river port based on the proposed facilities and vessel services to be available after the start of operations of various development phases. These projections shall be made relying primarily on discussions with potential users of the new river port and the available information on current users of port terminals in Barranquilla and Cartagena. The cargo projections at the river port and on the barge system connecting to the coastal terminals shall consider relative pricing of the alternative inland connections, the time and reliability of competing services, as well as overall demand for imports and exports by cargo type (including but not limited to new and expanded coal mine initiatives) in the hinterland area to be served by the river port.

The initial development phase of the river port will be aimed primarily at attracting container cargo and vehicles. Therefore, the Contractor shall carry out a more detailed analysis of these market segments based on historical volumes in the past five years and the potential for shifting those volumes to the new river port from existing inland transportation services to both Cartagena and Barranquilla.

In considering the long-term development options, Contractor shall review available historical demand for each market segment, reflecting all influencing factors, i.e. past trends in Colombia's foreign trade in the river port's hinterland areas, prior traffic forecasts and underlying assumptions, and major drivers of export/import growth of various commodities. Major drivers to be considered include the region's economic growth, its competitiveness in world markets, the U.S.-Colombia Trade Promotion Agreement scheduled to enter into force on May 15, 2012, and the ongoing expansion of the Panama Canal.

Contractor shall define alternative development scenarios for forecasting future demand, based on the main drivers for regional commercial activity (i.e., consumption, coal and oil production, exports, and vehicle demand). These scenarios shall be considered as a base for a range of forecasts: high (optimistic), average (most likely) and conservative (pessimistic). Cargo forecasts shall be broken down into appropriate categories for the revenue forecasts and financial analysis. The forecasts shall be developed by year for the facility and equipment needs and utilization analysis. During the forecast development and analysis, Contractor shall consider the sensitivity of demand to key variables such as regional growth and domestic GDP growth.

Based on the forecasted future cargo volumes for the river's hinterland area for all relevant cargo types and commodities, as well as the additional space and other facilities to be completed at the river port in future phases and the future level of barge services to be provided, the Contractor shall develop forecasts of cargo potential by commodity and cargo types during future development phases of the river port (optimistic for sizing long term facilities, most likely for phased development, and pessimistic for the financial analysis).

The Contractor forecasts shall be presented by year for the concession period, with more detailed analysis and forecasts for the first five years of the operation for vehicles and containers and for the initial year after each additional development phase is completed.

Deliverable: The Contractor shall prepare a report summarizing the market analysis and presenting the demand forecasts. A conference call shall be held to review the Task 3 report and obtain comments on the demand forecasts. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 4: Master Development Plan and Functional Requirements

The Contractor shall review the recommended Master Plan for the River Port Facility as developed by Moffatt & Nichol (M&N) in the Magdalena River Port Concept Study dated October 2011. Contractor shall also review the following documents:

1) Road access design studies prepared by EMDEPA (in Spanish)
2) Vessel studies conducted by DAMEN, DST and Robert Allan
3) Environmental Impact Study by SAMIN (in Spanish)
4) Study of Magdalena River and its shores near Gamarra, by EMDEPA (in Spanish)

The Contractor shall refine and update the above-referenced Concept Study and prepare a Master Development Plan layout for the long-term full utilization of the site, with appropriate provisions for phased development and expansion beyond the initial phase, in coordination with and considering the results of the various other ongoing studies.

Besides the maritime cargo facilities, the Master Development Plan shall accommodate, at a minimum, the following other future facilities within the available site:

1) Logistics and Distribution Zone including warehouses and related facilities for development of a logistics center
2) Rail yards and connections to handle coal and intermodal cargoes
3) Storage Tanks for handling liquid bulks (including crude oil)
4) Possible grain cargoes that may be handled at the facility

The Contractor shall provide as much flexibility as possible to expand the cargo throughput of various commodities and cargo types as demand shifts. Areas that could be shifted to other purposes in order to provide for flexibility as the phased development takes place shall be noted in the plan.

The Contractor shall also review the functional requirements and design features, as established in the M&N Concept Study, as well as the vessel fleet assumed in the vessel studies and the available fleet from existing service providers on the Magdalena River. Contractor shall confirm all design features, facilities and equipment to be provided in Phase I of the Master Development Plan.

Deliverable: Contractor shall prepare a report presenting the recommended Master Development Plan and the proposed development phases, with greatest detail provided for the initial development phase. A conference call shall be held to review the Task 4 report and obtain comments on the Master Development Plan. Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for carrying out future tasks.

Task 5: Site Preparation and Basis of Design Report

The Contractor shall prepare a Site Preparation and Basis of Design Report for the initial phase of the operation at the river port, in accordance with the Master Development Plan, taking into consideration the long term future development phases.

The Site Preparation and Basis of Design Report will be coordinated with other ongoing studies, particularly the environmental study and the internal access road.

The recommendations for site preparation and basis of design shall be prepared after considering the following aspects: drainage, site elevation, soil stabilization needs, and similar issues that will affect the most cost effective solution for the facility design. For the overall site infrastructure, and for the design of each of the facilities, the Contractor shall carry out the following:

5.1 Utilize existing and new survey information to update the Existing Conditions Summary Report, including results from the requested surveys in Task 2.

5.2 For the berths and other substantial cost items (pavements, drainage, and structures), develop up to three alternative designs at a conceptual level together with preliminary construction budgets for phased development.

5.3 Make recommendations to the Grantee regarding the preferred option to be taken forward to preliminary design.

5.4 Define required dredging and its suitability as land fill, as well as identify sand borrow sources for land reclamation.

5.5 Determine site stabilization needs and methods post-filling. Estimate time impact on development schedule.

5.6 Develop basis of design and typical sections for wharves, piers and bank protection. Design shall include stability analysis and shoreline protection requirements. Prepare alternative site plans for the Phase I terminal development, including container and general cargo storage area layout, roadways, buildings, entrance gate, storm drainage, lighting, fire protection, water distribution, underground utilities, and pavements.

5.7 Prepare cost estimate for the site preparation concept design alternatives and select most cost effective alternative.

Deliverable: The Contractor shall prepare a Site Preparation and Basis of Design Report that includes results and recommendations of Task 5 including an update of the Existing Conditions Summary Report, recommendations regarding the preferred alternative for site preparation and stabilization, concept design alternatives, and cost estimates. The draft of the report shall be submitted to the Grantee before the Interim Presentation (Task 6) to enable the Grantee to distribute it to other interested parties and prepare comments.

Task 6: Site Preparation and Basis of Design - Presentation No. 1

The Contractor shall arrange Presentation Meeting No. 1 with the Grantee and other interested parties regarding the site preparation and basis of design for the terminal's development. The purpose of the meeting shall be for the Contractor to present its findings and recommendations regarding the conceptual design and site preparation alternatives and related preliminary investment requirements. The Contractor, in consultation with the Grantee, shall prepare a summary of the meeting and adopted recommendations for further elaboration. This summary shall form the basis for the Contractor's final preparation of its investigations and recommendations, including selection of preferred alternative to advance through preliminary design for the initial phase and conceptual design for the coal and oil terminals.

Deliverable: The Contractor shall prepare a joint summary of the Presentation Meeting No. 1 regarding Site Preparation and Basis of Design, the conclusions and the recommendations for carrying out future tasks.

Task 7: Preliminary Terminal Design

The Contractor shall prepare preliminary drawings (30%), specifications, and cost estimates for the facilities of the initial phase of the operation at the river port, at a sufficient level of detail for inclusion in a Design/Build contract. The design shall be coordinated with other ongoing studies to define the vessels that will operate at the terminal and the access road connecting to the site (which are not part of the scope of this study). The internal access road will also not be part of the scope of this Study but Contractor shall exchange relevant information on this point with the Colombian firm Emdepa, which will prepare the design for the internal access road. Subject to confirmation based on the results of Task 5, the Contractor shall design the following facility elements:

1) Berth up to 200 m long to handle containers, vehicles and general cargo

2) Container storage yard with an initial capacity of up to 80,000 TEUs annually capable of being expanded in accordance with the Master Development Plan

3) Access Channel and related dredging plans to handle the design vessel(s) for the river port

4) Entrance gate complex with appropriate facilities to handle security, equipment interchange, and cargo release procedures, considering separation of containers and general cargo and other cargoes

5) Infrastructure needs for public services based on the long term plan requirements, with particular attention to drainage in the storage areas and the overall site which is affected by flows from three rivers or water sources (Quebrada Norean to the north, Magdalena to the west, and through the site, the Herrera Creek that flows from the Marisonga wetland)

6) Shore protection along river

Deliverable: The Contractor shall prepare a Preliminary Design Report for all the facilities required for the initial phase of operation of the container and vehicle terminal. The Report shall be submitted to the Grantee before the related Presentation No. 2 (Task 10) so that Grantee may distribute it to other interested parties and prepare comments.

Task 8: Preliminary Equipment Specifications

The Contractor shall prepare an Equipment Acquisition Program showing the equipment needs for the first five years of the river port's operation, including barges and self-propelled vessels. The Equipment Acquisition Program shall include all equipment needs for the various terminals (i.e. containers, vehicles, coal, other solid bulk, crude oil, and other liquid bulks).

An Investment Plan for Equipment Acquisition shall be prepared concurrently with the Preliminary Facility Design to determine appropriate loads for structural design, as well as to develop a complete schedule of required investments. Depending on the selected strategy for phased development of the facilities, as well as the potential for utilization of available equipment from the SPRC facilities in Cartagena, some equipment investments will be scheduled for near term implementation while others may be deferred to reflect anticipated timing for additional equipment as demand grows.

The Contractor shall develop a schedule for procurement and technical specifications to acquire priority equipment for the Phase I operation. The specifications shall be developed so that they are available as acquisition of the needed equipment proceeds. The Procurement Schedule and Technical Specifications shall also be produced as a separate document that can be used to inform U.S. exporters interested in supplying the needed equipment.

The potential value of U.S. exports of equipment and services shall be estimated based on the projects to be pursued during the next five years as per Phase I of the Master Development Plan and the Equipment Acquisition Program. Contractor shall contact U.S. manufacturers of needed equipment and shall provide Grantee with a list of suppliers interested in sourcing needed equipment to project sponsors.

The list of U.S. suppliers shall include company name, contact information, contact person and a general description of products and services that may be procured from each company. The list shall be prepared after contact with the potential suppliers to determine their interest in competing in the Colombian marketplace, whether they have Representatives in the region, and their prior experience in responding to procurements for similar equipment.

In order to facilitate U.S. exporters' involvement in the implementation of the projects, copies of the draft equipment specifications shall be made available to interested US suppliers.

In addition, the Final Report shall include brochures, technical booklets, specs, and other relevant info from U.S. suppliers regarding the type of equipment to be acquired. These materials shall be referenced in and provided as an annex to the Final Report.

Contractor shall distribute information about upcoming procurements to interested U.S. firms once the Project schedule has been approved for inclusion in the Final Report.

Deliverable: The Contractor shall prepare an Equipment Acquisition and Specifications Report covering the equipment as described above. Contractor shall submit a draft of the report to Grantee before the related Presentation No. 2 (Task 10) with sufficient time to permit Grantee to distribute it to interested parties and prepare comments.

Task 9: Conceptual Design of Oil and Coal Facilities

The Contractor shall prepare conceptual drawings and cost estimates for the facilities of the initial phase of the coal and oil facilities in accordance with the Master Development Plan. The concept designs shall be coordinated with coal and oil shippers who expressed interest in using the TFA river port. Their specific needs will be reflected in the concept design in order to assist negotiations between the Grantee and the potential customers. Subject to confirmation based on the results of Tasks 3, 4 and 5, the Contractor shall prepare concept design drawings and cost estimates for the following facility elements:

1) Coal berth to handle 2 million metric tons annually with the capability for expansion up to 5 million metric tons annually

2) Coal storage areas for up to 2 million metric tons annually with the capacity for expansion up to 5 million metric tons annually

3) Crude oil pier with the capacity to handle 500,000 metric tons of crude product annually

4) Storage tanks and pipeline system to handle up to 500,000 metric tons of crude product annually

In addition, the Contractor shall prepare a general description of the equipment and estimated costs (e.g. conveyor belts, stackers, and other equipment associated with the design concepts proposed for the coal and oil terminals).

Deliverable: The Contractor shall prepare a Concept Design Plan for the Coal and Oil Terminals, covering the facilities and equipment as described above. Contractor shall submit the Concept Design Plan to TFA with sufficient time in advance of the related Presentation No. 2 (Task 10) in order to allow Grantee to distribute it to other interested parties and prepare comments.

Task 10: Design – Presentation No. 2

The Contractor shall arrange Presentation No. 2 with Grantee and other interested parties regarding the terminal's preliminary design for the initial phase of operation (containers and vehicles) and the conceptual design for the initial phase of the coal and oil facilities. The purpose of the meeting shall be for the Contractor to present its findings and recommendations regarding the designs and investment requirements. The Contractor, in consultation with the Grantee, shall prepare a summary of the meeting and adopted recommendations for further evaluation in Phase III, including an Investment Plan with cost estimates reflecting the recommended design. The Investment Plan shall also include a schedule for facility construction, as well as vessel and equipment acquisition.

Deliverable: The Contractor shall prepare a joint summary of the Design Presentation Meeting conclusions and recommendations. The Contractor shall also provide a listing of key construction elements and equipment with the names and contact details of recognized U.S. companies that provide these services or items.

Task 11: Economic Analysis

An economic analysis shall be carried out for the proposed capital investments. Any alternatives to achieve the Project objectives shall also be noted. A cash flow analysis for disbursement of the Project investment requirements shall be carried out. The following possible impacts and benefits of the proposed projects shall be summarized:

1) Savings for the different groups of users;
2) Increases in capacity and utilization of space at the Cartagena and Barranquilla port terminals;
3) Other efficiencies; and
4) General opportunities and benefits that the Project will generate for the economy, such as economic development and foreign trade.

A summary of the economic analysis in support of the conclusions and recommendations about the Project's economic feasibility shall be prepared by the Contractor.

Task 12: Financial Feasibility Analysis and Financing Options

A financial feasibility analysis to consider financing options for the projects included in the investment plan shall be carried out. A simple financial viability analysis based on the traffic projections, estimated investment amounts, financing costs, and other costs will be prepared. The analysis shall include, among other things, the Project's profitability under different scenarios. Funding sources shall be discussed. The analysis will consider the currency exchange rate impacts, particularly on debt (i.e., taking into account the currency used to collect revenues as well as currency used to pay capital and operating costs, and currency of any debt assumed to finance the Project).

The financial model shall use projected traffic and financial data to generate cash flows, including the capital investment requirements, financing, revenues, and annual operating costs for the established concession period. As appropriate, data from similar operations shall be used for the analysis.

The financial analysis shall determine viability of the projects in terms of Net Present Value, Internal Rate of Return (IRR), and other financial criteria generally accepted in the international financial community. Contractor shall develop a sensitivity and risk analysis to evaluate the impact of changes in assumptions on the Project's critical variables such as demand and investment amounts. For these alternatives, which consider credit from domestic or international financial institutions, Contractor shall carry out an available cash flow sensitivity analysis for debt payments (i.e., debt coverage service levels, according to international accepted norms for this type of operations, considering the currency of revenues and debt service).

In order to define whether the investment is attractive, a minimum IRR will be estimated for the Project. The analysis and identification of financing sources -- including but not limited to the International Finance Corporation (IFC), Inter-American Development Bank (IDB), Andean Development Corporation (CAF), U.S. Export-Import Bank (Ex-Im Bank) -- shall culminate in a Financial and Investment Plan to support capital investment decisions. Contractor shall hold a conference call with Grantee to review the results of the Financial Analysis and financing options. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for developing the Study's recommendations. The financing section of the Final Report shall be prepared based on the conclusions of the conference call.

Task 13: Environmental Impact Overview

The Contractor shall conduct a review of the Project's environmental impact, including prior studies developed as part of the approval process for the concession as well as ongoing studies to obtain any required permits. The review will include reference to local requirements and those of relevant multilateral lending agencies such as the IFC, IDB, CAF, and Ex-Im Bank. This review shall identify potential negative impacts, discuss the extent to which they can be mitigated based on the recommended design, and develop plans for any further recommended environmental studies in anticipation of the Project moving forward to the implementation stage.

The Contractor shall also prepare an outline of the required environmental licensing procedures and a preliminary assessment of the terminal's impact and appropriate mitigating measures, reflecting the results of the previously completed environmental impact assessment and any conditions or mitigation measures that are included in the environmental agency approvals and design report. The Contractor shall prepare conclusions and recommendations for incorporating all mitigation measures and initiatives in the Final Report recommendations.

Task 14: Development Impact Assessment

The Contractor shall assess potential development impacts relating to the Project. These development impact factors are intended to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on the region. The analysis shall focus on what development impact is likely if the Project is implemented according to the Study recommendations. The Contractor shall specifically focus on examples of impacts from the two categories listed below, and develop a methodology for assessing these impacts over time. While specific focus shall be paid to the immediate impact of the Project, analysis shall include any additional developmental benefits that may result from the Project's implementation, including spin-off and demonstration effects. The analysis shall include an assessment of the following categories with respect to the Project's potential development impact:

1) *Infrastructure*: Provide a statement on the physical or financial infrastructure improvements that would result if the Project were implemented and an estimate of the scale of construction and installation expected.

2) *Human Capacity Building:* Estimate the number and type of jobs that would be created during the construction phase if the Project is implemented as recommended. Provide separate estimates of the number of jobs that would be created or sustained once installation is complete (or the number of jobs that would be lost due to reduced road transport to the coastal ports and other labor saving technology). In addition, an estimate of the jobs associated with the adjacent logistics center shall also be prepared. Comment on any prospective training recommended in the study, including

an estimate of the number of persons to be trained, type of training needed, and the desired outcome of the training.

3) *Other:* Describe any other developmental impacts or benefits that would result from the Project, for example, follow-on or replication projects, or enhanced revenue flows to the region.

Deliverable: The Contractor shall prepare an Economic, Financial, Environmental and Development Impact Report to be incorporated into the Final Report. A conference call will be held to review the Task 11-15 results and obtain comments. The Contractor shall prepare a joint summary of the conference call, the conclusions and the recommendations for developing the Final Report.

Task 15: Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive Final Report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause J of Annex II of the Grant Agreement.

Contractor shall present a draft of the Final Report to Grantee for comments at a meeting to be held in Cartagena (Presentation No. 3). The presentation shall afford an opportunity for final discussions concerning the implementation of the recommended components of the Project's development and the recommendations of the Final Report. Based on the comments received and the conclusions at the meeting, the final version of the Final Report shall be prepared.

The Final Report shall be prepared and delivered to the Grantee and USTDA in accordance with Clause J of Annex II of the Grant Agreement. The Final Report and all deliverables shall be provided to the Grantee solely in English. Each of the above tasks in this Terms of Reference must be distinctly set forth in the Final Report in a substantive and comprehensive manner, and shall include all corresponding deliverables. Electronic versions (six copies) of each report shall be provided to the Grantee and USTDA on CD-ROM. The CD-ROM shall include:

1) Adobe Acrobat readable copies of all documents
2) Source files for all drawings in AutoCAD or Visio format
3) Source files for all documents in MS Office 2000 or later formats

A N N E X 6

U.S. FIRM INFORMATION FORM

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

U.S. Firm Information Form

This form is designed to enable the U.S. Trade and Development Agency ("USTDA") to obtain information about entities and individuals proposed for participation in USTDA-funded activities. Information in this form is used to conduct screening of entities and individuals to ensure compliance with legislative and executive branch prohibitions on providing support or resources to, or engaging in transactions with, certain individuals or entities with which USTDA must comply.

USTDA Activity Number [*To be completed by USTDA*]	2012-51014A					
Activity Type [*To be completed by USTDA*]	✔	Feasibility Study		Technical Assistance		Other (specify)
Activity Title [*To be completed by USTDA*]	Construction of Andalucia Port on the Magdalena River					
Full Legal Name of U.S. Firm						
Business Address (street address only)						
Telephone		Fax		Website		
Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.						
Please provide a list of directors and principal officers as detailed in Attachment A. Attached?		Yes				
Type of Ownership		Publicly Traded Company				
		Private Company				
		Other (please specify)				
If Private Company or Other (if applicable), provide a list of shareholders and the percentage of their ownership. In addition, for each shareholder that owns 15% or more shares in U.S. Firm, please complete Attachment B.						
Is the U.S. Firm a wholly-owned or partially owned subsidiary?		Yes				
		No				
If so, please provide the name of the U.S. Firm's parent company(s). In addition, for any parent identified, please complete Attachment B.						
Is the U.S. Firm proposing to subcontract some of the proposed work to another firm?		Yes				
		No				
If yes, U.S. Firm shall complete Attachment C for each subcontractor. Attached?		Yes				
		Not applicable				
Project Manager						
Name	Surname					
	Given Name					
Address						
Telephone						
Fax						
Email						
Negotiation Prerequisites						
Discuss any current or anticipated commitments which may impact the ability of the U.S. Firm or its subcontractors to complete the Activity as proposed and reflect such impact within the project schedule.						
Identify any specific information which is needed from the Grantee before commencing negotiations.						

U.S. Firm may attach additional sheets, as necessary.

U.S. Firm's Representations

U.S. Firm shall certify to the following (or provide any explanation as to why any representation cannot be made):

1. U.S. Firm is a *[check one]* ☐ Corporation ☐ LLC ☐ Partnership ☐ Sole Proprietor ☐ Other: ____

   duly organized, validly existing and in good standing under the laws of the State of: [insert state]

   The U.S. Firm has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the USTDA Activity. The U.S. Firm is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. The U.S. Firm has included herewith, a copy of its Articles of Incorporation (or equivalent charter or document issued by a designated authority in accordance with applicable laws that provides information and authentication regarding the legal status of an entity) and a Certificate of Good Standing (or equivalent document) issued within 1 month of the date of signature below by the State of: [insert state]

   The U.S. Firm commits to notify USTDA and the Grantee if it becomes aware of any change in its status in the state in which it is incorporated. USTDA retains the right to request an updated certificate of good standing.

3. Neither the U.S. Firm nor any of its principal officers have, within the ten-year period preceding the submission of this proposal, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.

4. Neither the U.S. Firm, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.

5. There are no federal or state tax liens pending against the assets, property or business of the U.S. Firm. The U.S. Firm, has not, within the three-year period preceding the submission of this proposal, been notified of any delinquent federal or state taxes in an amount that exceeds US$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

6. The U.S. Firm has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself of its debts under any bankruptcy, insolvency or other similar law. The U.S. Firm has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

7. The U.S. Firm certifies that it complies with USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The U.S. Firm commits to notify USTDA and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.

The U.S. Firm shall notify USTDA if any of the representations are no longer true and correct.

U.S. Firm certifies that the information provided in this form is true and correct. U.S. Firm understands and agrees that the U.S. Government may rely on the accuracy of this information in processing a request to participate in a USTDA-funded activity. If at any time USTDA has reason to believe that any person or entity has willfully and knowingly provided incorrect information or made false statements, USTDA may take action under applicable law. The undersigned represents and warrants that he/she has the requisite power and authority to sign on behalf of the U.S. Firm.

Name		Signature	
Title			
Organization		Date	

ATTACHMENT A

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

U.S. Firm Information Form – Directors and Principal Officers

Provide a list of all directors and principal officers (e.g., President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer). Please provide full names including surname and given name.

USTDA Activity Number [*To be completed by USTDA*]	2012-51014A
Activity Title [*To be completed by USTDA*]	Construction of Andalucia Port on the Magdalena River
Full Legal Name of Entity	

Title	Name		
(e.g., Director, President, Chief Executive Officer, Vice-President(s), Secretary, Treasurer) ** Please place an asterisk (*) next to the names of those principal officers who will be involved in the USTDA-funded activity*	**Surname**	**Given Name**	**Middle Name**

ATTACHMENT B

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

U.S. Firm Information Form – Shareholder(s) and Parent Company(s)

If applicable, U.S. Firm provided a list of shareholders and the percentage of their ownership. This form shall be completed for each shareholder that owns 15% or more shares in U.S. Firm, as well as any parent corporation of the U.S. Firm ("Shareholder"). In addition, this form shall be completed for each shareholder identified in Attachment B that owns 15% or more shares in any Shareholder, as well as any parent identified in Attachment B.

USTDA Activity Number [*To be completed by USTDA*]	2012-51014A		
Activity Title [*To be completed by USTDA*]	Construction of Andalucia Port on the Magdalena River		
Full Legal Name of U.S. Firm			
Full Legal Name of Shareholder			
Business Address of Shareholder (street address only)			
Telephone number		Fax Number	
Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.			
Country of Shareholder's Principal Place of Business			
Please provide a list of directors and principal officers as detailed in Attachment A. Attached?	✔	Yes	
Type of Ownership		Publicly Traded Company	
		Private Company	
		Other	
If applicable, provide a list of shareholders and the percentage of their ownership. In addition, for each shareholder that owns 15% or more shares in Shareholder, please complete Attachment B.			
Is the Shareholder a wholly-owned or partially owned subsidiary?		Yes	
		No	
If so, please provide the name of the Shareholder's parent(s). In addition, for any parent identified, please complete Attachment B.			

Shareholder may attach additional sheets, as necessary.

ATTACHMENT C

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

Subcontractor Information Form

This form is designed to enable the U.S. Trade and Development Agency ("USTDA") to obtain information about entities and individuals proposed for participation in USTDA-funded activities. Information in this form is used to conduct screening of entities and individuals to ensure compliance with legislative and executive branch prohibitions on providing support or resources to, or engaging in transactions with, certain individuals or entities with which USTDA must comply.

USTDA Activity Number [*To be completed by USTDA*]	2012-51014A
Activity Title [*To be completed by USTDA*]	Construction of Andalucia Port on the Magdalena River
Full Legal Name of Prime Contractor U.S. Firm ("U.S. Firm")	
Full Legal Name of Subcontractor	
Business Address of Subcontractor (street address only)	
Telephone Number	
Fax Number	
Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.	

Subcontractor Point of Contact

Name	Surname	
	Given Name	
Address		
Telephone		
Fax		
Email		

Subcontractor's Representations											
Subcontractor shall provide the following (or any explanation as to why any representation cannot be made), made as of the date of the proposal:											
1.	Subcontractor is a *[check one]*		Corporation		LLC		Partnership		Sole Proprietor		Other
	duly organized, validly existing and in good standing under the laws of:		[insert state (if U.S.) or country]								.
	The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the U.S. Firm is selected, to execute and deliver a subcontract to the U.S. Firm for the performance of the USTDA Activity and to perform the USTDA Activity. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.										
2.	Neither the subcontractor nor any of its principal officers have, within the ten-year period preceding the submission of the Offeror's proposal, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.										
3.	Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.										
4.	There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.										
5.	The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.										
6.	The Subcontractor certifies that it complies with the USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The Subcontractor commits to notify USTDA, the Contractor, and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.										
The selected Subcontractor shall notify the U.S. Firm, Grantee and USTDA if any of the representations included in its proposal are no longer true and correct.											
Subcontractor certifies that the information provided in this form is true and correct. Subcontractor understands and agrees that the U.S. Government may rely on the accuracy of this information in processing a request to participate in a USTDA-funded activity. If at any time USTDA has reason to believe that any person or entity has willfully and knowingly provided incorrect information or made false statements, USTDA may take action under applicable law. The undersigned represents and warrants that he/she has the requisite power and authority to sign on behalf of the Subcontractor.											

Name		Signature	
Title			
Organization		Date	