

PANAMA MARITIME AUTHORITY

**MARKETING QUERY ON THE
RESTORATION, DEVELOPMENT,
MANAGEMENT, AND OPERATION OF
THE BALBOA SHIPYARD**

General Directorate of Ports and Maritime Ancillary Industries

01/09/2020

**MARKETING QUERY ON THE RESTORATION, DEVELOPMENT, MANAGEMENT, AND
OPERATION OF THE BALBOA SHIPYARD**

1 de septiembre de 2020

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Legal Framework

The Panama Maritime Authority is conducting a marketing query, based on the following:

- That pursuant Law Decree No. 7, dated February 10, 1998, the Panama Maritime Authority was created, and all different maritime agencies of the public administration, were unified, and other provisions were issued.
- That pursuant numbers 1 and 2, Section 3, Law Decree No. 7, dated February 10, 1998, the Authority has among its main objectives, to manage, to promote, to regulate, to project and to execute policies, strategies, legal provisions and rules and regulations, plans and programs which are directly or indirectly related to the functioning and development of the maritime sector; and to act as the supreme maritime authority of the Republic in exercising the rights and in complying with the responsibility of the Panamanian State within the framework of the United Nations Convention on the Law of the Sea, 1982, and other laws and rules and regulations currently in force.
- That pursuant number 6, Section 31, Law Decree No. 7, dated February 10, 1998, the functions of the General Directorate of Ports and Maritime Ancillary Industries, are to process and to oversee the concessions for the exploitation of existing national ports, and those which shall be built in the future.
- That pursuant Section 40, Executive Decree No. 40, dated April 10, 2018, which regulates Law 22, same which regulates Public Procurement, says as follows: bidding entities, prior to the public bidding process, may make queries or meetings with suppliers through public and open callings for bid through e-mails, invitation letters, publications in print media, or through other mechanisms which may be deemed appropriate, for the purpose of obtaining information on the prices, related costs, property characteristics, required goods and services, time for preparing proposals, or any other information required for the drafting of the bid documents.

Shipyards' History and Facilities

The Balboa Shipyards, which dates from more than 100 years ago, is located in the Pacific, as the only facility in Panama and throughout the region, and it has three (3) dry docks with the dimensions required for taking care of Panamax vessels.

The Balboa Shipyards was built simultaneously with the construction Project of the Panama Canal, and it was inaugurated in 1916. In June, 1916, the first vessel entered therein, a dredge from the Panama Canal, named Corozal, and the first commercial use thereof occurred on August 22, 1916, with the Panamanian registered vessel, Chiriquí. For years it was a part of the Engineering Division, former Panama Canal Commission.

The shipyard facilities have three dry docks; the No. 1 dock is a replica of the first two set of locks, with a capacity to receive Panamax vessels, with a dimension of 318 meters in length and a draft/draught of 7.9 meters.

The other two docks have served for repairs of smaller dimensioned ships, such as tuna boats, fuel barges, tug boats, as well as other vessels which render maritime ancillary services, with the following dimensions:

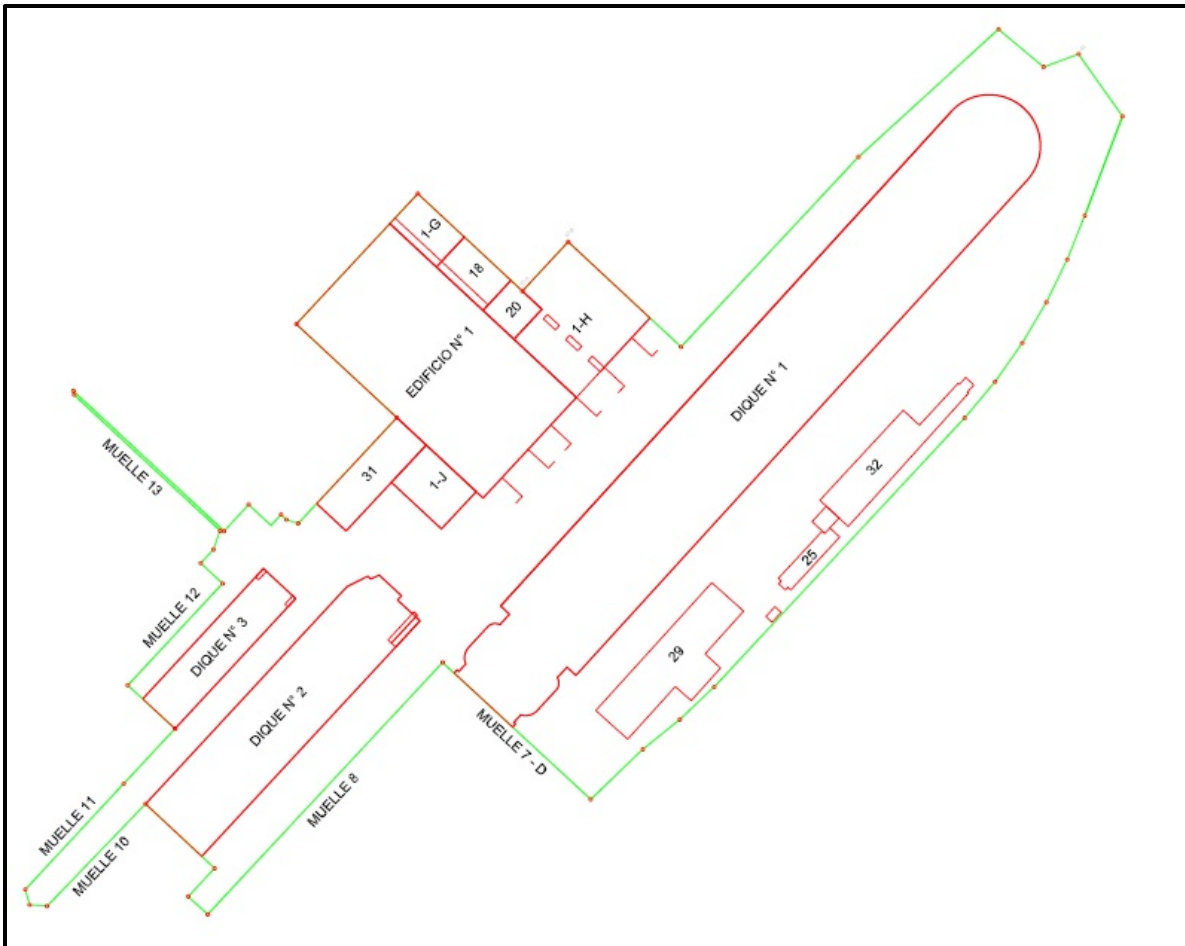
Dock 2: 130 meters in length by 30.5 wide, and a depth of 6.4 meters.

Dock 3: 70 meters in length by 17 meters wide, and a maximum depth of 4.3 meters

Additional facilities include a management building, a pump room, 6 working and storage sheds.

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BUILDING AREAS

BULDING #29: A= 1,482.50 m2
BULDING #32: A= 993.29 m2
BULDING #25: A=306.75 m2
BULDING #31: A= 840.54 m2
BULDING #01: A= 6,239.30 m2
BULDING #20: A= 309.29 m2
BULDING #16: A= 465.10 m2
BULDING #1-J: A=621.61 m2
BULDING #1-H: A= 1,963.75 m2
BULDING #1-G: A= 465.10 m2

Total: 1 Hectare + 3, 687.23 m2

DOCK AREAS

DOCK # 1: A= 1 Ha + 4184.68 m2
DOCK # 2: A= 0 Ha + 4,404.63 m2
DOCK # 3: A= 0 Ha + 9,981.62 m2

TOTAL = 1 HECTARE + 8,570.93 m2

OPEN AREAS

TOTAL AREA: 3 HECTARES + 2,339.896 m2

Query addressed to Interested Parties

The Panama Maritime Authority, as part of the marketing query, seeks information from companies interested in the Restoration, Development, Management, and Operation of the Balboa Shipyard.

As a part of this process, the PMA seeks to obtain preliminary information and to know what are the samples of interest of qualified companies, and which have great worldwide prestige, regarding the objective of the query.

This query is for the sole purpose of obtaining information from potential companies, same which shall be used in the planning phase of the public bid process.

The scope of this Project is based on the receipt of information on the following:

- Business Model for Shipyard Facilities, providing details of the following:
 - Business: services to be rendered
 - Reference prices for said services
 - Types of vessels
 - Segmentation and volumen per dock
 - Objective Market
 - Estimated Cost Structure
 - Expense and Personnel Structure
 - Operations Scheme
 - Others
- Technical Opinions regarding the development of present and future operations (List of activities in 20 years).
- Services which may be rendered in the shipyard facilities.
- Obtention of average investment on a short, medium, and long-term basis, in order to achieve the proposed objective.

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All of this information shall be evaluated by the PMA, for the drafting of the public bid documents.

Interested Parties

For this query, the PMA shall consider as a qualified interested party, a Company, business group, or consortium with proven experience in the operation and management of shipyards;

All interested parties shall submit evidence of said experience, as stated below:

1. Twenty (20) years experience in Shipyard Operations, with characteristics which are similar or greater than those in the Balboa Shipyard.
2. Twenty (20) years experience in Shipyard Management, with characteristics which are similar or greater than those in the Balboa Shipyard.
3. Has technical and administrative personnel with more than 20 years experience working in Shipyards.
4. Experience in Commercial Development of Shipyards.
5. Portfolio of clients or of repair works to vessels greater than 300 meters in length, in shipyards similar to the Balboa Shipyard.

Operations Performance

One of the most important elements for this process, in terms of the regulatory entity, is to determine the use and capabilities which can be given to all shipyard facilities.

To achieve the incorporation of the best ideas on the possible uses and restoration that are required to be made to the present facilities, as well as the use which can be given to each one of the areas therein, whether to continue with repair services or to carry out ship building of small vessels, among other activities.

Financial Model

The Panama Maritime Authority is looking for financial models used in shipyards worldwide, same which allow a stable income to the State for the duration of the concession (20 years), as well as the creation of direct and indirect jobs.

Having known that the shipyard facilities were constructed more than 100 years ago, it is very important for the PMA to achieve an average of the amount required for the initial investment, during the first 5 years and during the entire period of 20 year concession, and which will allow to restore, to make technical enhancements, to modernize, and to equip all shipyard facilities, pursuant present world tendencies.

Also, we wish to know the concession models which apply to other shipyards worldwide, regarding applied concession fees, same which shall assure the success and profitability of the Balboa Shipyard.

Interested

The PMA appreciates all responses to this query from companies or corporations, as well as joint ventures or associations, same which will allow the State to receive stable income, and which have a potential interest in the Restoration, Development, Management, and Operation of the Balboa Shipyard.

Marketing Query Planning

Publication/ Sending of Marketing Query	September 15, 2020
Query Period	30 days
Response Presentation by Interested Parties	October 15, 2020

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Contact Points

All responses to the Marketing Query, shall be sent by e-mail to the following e-mails:

- fpitty@amp.gob.pa
- avega@amp.gob.pa
- jguerini@amp.gob.pa

Response Presentation

All responses to this query must contain all necessary information, so the PMA may review all criteria identified in this calling, provide a brief statement of interest, with the following information:

- Company Name, key company directors, contact point, general Company information, history.
- Primary business activities which are related to the objective of this query.
- Technical, operations, financial, and administrative recommendations, as to how the Restoration, Development, Management, and Operations of the Balboa Shipyard should be executed.

Use of the Information

All information received from all interested parties, shall be used solely for purposes of the Marketing Query,

The PMA will guarantee that all data, numbers, and all other information delivered, shall be treated in a confidential manner and said information shall not be published in no form or manner.

The PMA has no obligation to use the information delivered in the subsequent phases of the bid process, even if this phase of the process is not a requirement of strict compliance in the following phases; we invite all parties interested in the bid process of the Balboa Shipyard, to participate in this calling, as this exercise shall very probably be the business model, as well as the procurement conditions which shall be used in the following process.