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Colombia Issues RFQ for USD400m Waterway Concession

Cormagdalena, the regional agency for the Magdalena River in Colombia, and its advisor, local investment bank Bonus, have published an RFQ for a USD400m waterway concession on the Magdalena River.

Cormagdalena has also created an online data room, where interested bidders can access legal and technical details about the project. To access the digital data room, click [here](#).

The deadline to respond to the RFQ is Dec. 14.

Procurement Method, Timeline

Cormagdalena will grant the concession through the competitive dialogue method outlined in the PPP law, marking the first time the method has been used in Colombia, said Alejandro Paz, a technical and financial advisor at Bonus.

“We’re expecting to prequalify six proponents on Jan. 14,” he said.

The competitive dialogue stage will start with the shortlisted bidders, culminating with the presentation of financial offers in early April 2013. Cormagdalena expects to announce a preferred bidder in May next year.

Firms that have expressed interest in the project already include Chinese engineering firm HydroChina, Acciona from Spain, Hyundai from South Korea, Votorantim from Brazil and Terminales Río de la Plata, which operates the Río de la Plata concession in Argentina.

Project Details

The Magdalena River concession will involve dredging, installing locks and redirecting water flow for a 256km section of river between Barrancabermeja and Puerto Salgar. The waterway will accommodate ships with capacity up to 7,200 tons.

The Colombian government has earmarked almost COP700bn (USD386m) for the project. The concessionaire would be expected to contribute at least another COP700bn (USD386m), which would be reimbursed through availability payments.

The project is also being structured according to the parameters required by multilateral lenders like Latin American development bank CAF and the Inter-American Development Bank (IDB), although the two institutions have not yet expressed interest yet, Paz said.



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