



**Container Terminal Management, Operation and Maintenance**  
**Contract**  
*for the*  
**Container Terminal of the Beirut Port**

***TENDER DOCUMENT***  
**Tender Process and Conditions**

2019

## Table of Contents

1	Introduction & Background .....	5
2	Transaction Summary .....	8
2.1	Overview.....	8
2.2	Transaction Description .....	8
2.3	Transition Period.....	9
3	Relevant Terms and Conditions of the Business Model .....	10
3.1	Overview.....	10
3.2	Responsibility of GEPB.....	11
3.3	Legal Structure of the Manager .....	12
3.4	Responsibilities of the Manager.....	12
3.5	Insurances .....	13
3.6	Duration of Contract .....	14
3.7	Operations .....	15
3.8	Relationship with Other Users .....	15
3.9	Supplies.....	15
3.10	Maintenance .....	16
3.11	Subcontracting of operations and maintenance and purchase of spare parts.....	17
3.12	Security .....	17
3.13	Labor .....	17
3.14	Performance Standards .....	17
3.15	Remuneration of the Manager .....	19
3.16	Reporting.....	19
3.17	Marketing .....	19
3.18	Training and Capacity Building.....	19
3.19	Digitization .....	20
3.20	General Provisions .....	20
4	Instruction and Guidelines to Bidders .....	21
4.1	Overview.....	21
4.2	Format and Content of the Proposal .....	21

4.3	Eligibility Criteria .....	23
4.4	Qualification Criteria .....	24
4.4.1	Approach .....	24
4.4.2	Financial Qualification Criteria.....	24
4.4.3	Technical Qualification Criteria.....	24
4.5	Technical Proposal.....	25
4.5.1	Corporate and Business Qualifications .....	25
4.5.2	Management Team.....	26
4.5.3	Organization .....	26
4.5.4	Business Plan.....	26
4.6	Financial Proposal.....	27
4.6.1	Fixed Annual Management, Operation and Maintenance Fee .....	27
4.6.2	Container Handling Fee .....	28
4.6.3	Business Plan– Financial Information.....	29
4.6.4	Validity of Fees & Revision.....	29
4.6.5	Supporting Documentation .....	29
4.6.6	Format and Submission.....	29
4.6.7	Language of the Proposal.....	29
4.6.8	Stamp Duty.....	30
4.7	Deadline for Submission.....	30
4.8	Confidentiality .....	30
4.9	Forfeiture of Bid Bond.....	30
4.10	Ground for Disqualification .....	30
5	Evaluation Process and Criteria .....	32
5.1	Data Room .....	34
5.2	Site Visits .....	35
5.3	Tender Process Schedule .....	35
5.4	Clarifications.....	36
5.5	Establishment of Joint Stock Company, Handover Plan, Signature of the Contract with GEPB, Return of the Bid Bonds, Issuance of the Performance Bond .....	36
	Annex A: Graphic Sequence of the Process .....	38

Annex B: POB and Relevant Information .....	39
Annex C: Tariffs Applicable for Container Operations.....	49
Annex D: Confidentiality Agreement (Template) .....	50
Annex E: Bid Bond (Template) .....	54
Annex F: Letter of Performance Bond (Template).....	55
Annex G: Financial Proposal Evaluation Approach.....	57
Annex H: Definition and Interpretation of Terms .....	59
Annex I: Contract for Management, Operation and Maintenance of the Container Terminal at Beirut Port.....	63

## 1 Introduction & Background

The GEPB (Gestion et Exploitation du Port de Beyrouth) invites interested Lebanese and Foreign companies to submit a Proposal in response to the invitation to submit Proposals for the award of a Container Terminal Management, Operation and Maintenance Contract.

GEPB has developed the Terminal in the POB and awarded a contract for its management, operation and maintenance to BCTC expecting to service the growing Container traffic for domestic and international markets. GEPB has decided to invite Lebanese and foreign companies to submit a Proposal for the management, operation and maintenance of the Terminal at POB as a successor to BCTC in accordance with the Tender Document, Process and the Contract. The main objectives of GEPB from the Tender Process are:

- i. Maximizing the productivity of Container Handling Services;
- ii. Increase Container traffic to the POB;
- iii. Ensure the highest quality of service to the users.

Description and delimitation of the contracted activity:

- Management of the existing Terminal of POB including all relevant and adjacent activities in order to provide Container Handling Services on behalf of GEPB for containerized goods in the POB including all quayside handling, yard and storage operations and reception and delivery of containerized cargo according to modern state-of-the-art standards applicable for the Terminal;
- Maintenance and repair (routine and preventive) of Equipment and Terminal facilities according to Applicable Law and Equipment specifications;
- Promotion of the Terminal of POB, including conducting regular marketing activities and support the GEPB in any such activity.

An overview of the main terms of the business environment and expected cooperation framework is set out in Section 3, while the Contract is attached as Annex I: Contract for Management, Operation and Maintenance of the Container Terminal at Beirut Port.

The contract between GEPB and BCTC will reach its contractual term on 31<sup>st</sup> of January 2020. The intent of GEPB is to complete the Tender Process, designate the Preferred Bidder and enter into the Contract with the Manager by no later than the date set out in Section 5.3. GEPB expects a smooth continuation of the services provided at the Terminal as well as an improvement of the operational performance, service quality, financial results, market evolution and adaptation of port facilities and relevant Container Handling Services Equipment. At the same time, GEPB expects an efficient collaboration with the Manager in preparing the POB for the expected traffic volumes forecasted in the frame of the recently completed port master plan. This includes the constructive support and cooperation in case of implementing needed facilities, modernizing the operational scheme, introduction of supporting tools, and port automation and adaptation to new technological standards as there are the blockchain applications and new management strategies for greening ports.

In order to achieve the objectives stated above, GEPB is launching a transparent and fair Tender Process. The Tender Process has been designed in a straight forward manner with simple and plausible criteria for eligibility, qualification and award of the Contract. The approach adopted for the design of the Tender Process and the preparation of the Tender Documents aims at achieving the most efficient use and operation of the POB Terminal, its Equipment and work force. It is expected that optimizing the throughput capacity and the consolidation of the POB as a regional transshipment hub under competitive attractive conditions will be one important aspect of the Bidders approach when establishing the Business Plan.

GEPB expects to enter into the Contract with the Preferred Bidder after completion of the evaluation process. GEPB also expects the Manager to receive the handover of the management, operation and maintenance of the Terminal from BCTC as soon as possible following Contract signature.

The Tender Document outlines all relevant elements required by any interested Bidder to support the respective decision-making process in respect of an eventual participation in the Tender Process and accordingly the preparation of the Proposal.

To simplify and facilitate the participation to this Tender Process and prepare Proposals in response thereto, several forms have been included as annexes. The relevant section of the Tender Document refers Bidders to the concerned annex.

The List of Abbreviations and Corresponding Terms and the Glossary of Terms and their respective meaning and interpretation in the context of this Tender Process are included in Annex H: Definition and Interpretation of Terms. For any term not listed in the said annex, industry meaning shall prevail.

The Information has been and will be provided for the purpose of assisting Bidders to make their own evaluation of the Tender Document and the Tender Process and develop their Proposals. Such Information is intended only as an explanation of GEPB's requirements and is not intended to form the basis of a Bidder's decision as to whether to submit a Proposal or enter into any contractual relationship with the GEPB.

Accordingly, whilst the Information has been prepared in good faith it does not purport to be comprehensive nor does it purport to have been independently verified. None of the GEPB, their advisers or the directors, officers, members, partners, employees, representatives, other staff, agents or advisers of any such person:

- makes any representation or warranty (expressed or implied) as to the veracity, adequacy, accuracy, reasonableness or completeness of any Information; nor
- accepts any responsibility or liability (other than in respect of fraudulent misrepresentation, gross negligence or wilful misconduct) arising out of or in relation to the Information (including in relation to omissions from the Information) and/or in respect of the use of, or reliance on, such Information by Bidders.

Each Bidder shall be solely responsible for satisfying itself as to the information required to submit a Proposal and/or enter into the Contract and carry out the services required thereunder in accordance with the Tender Document, the Contract and terms of the relevant Bidder's Proposal. Bidders should make their own investigations, projections, conclusions and consult their own advisers to independently verify the Information.

Each of the Bidders is solely responsible for all costs incurred, as the case may be, in evaluating whether or not to submit a Proposal, in the preparation of any such Proposal and in participating in the Tender Process, including, without limitation, all costs of providing information requested by, or on behalf of the GEPB, attending meetings, conducting due diligence and engaging in negotiations. Under no circumstances shall the GEPB or any of their advisers be liable for any costs or expenses incurred by any Bidder, in relation to the Tender Process, including in the event the GEPB decides to amend or cancel this Tender Process at any time.

This Tender Document does not commit GEPB (nor the Government) in any way to proceed with the execution of the Contract. Furthermore, GEPB reserves the right, at any time, in their sole and absolute discretion and with no liability whatsoever, to:

- amend the scope of or terms of the business opportunity described in the Tender Document;
- amend, terminate or suspend any element of the Tender Document and/or Process, including by extending any date, time period or deadline provided for in this Tender Document;
- reject or disqualify any or all Proposal(s) for any reason and without any obligation, compensation or reimbursement to any Bidder;
- waive any defect or irregularity in any Proposal or any non-conformity in the form or content of any Proposal and accept that Proposal;
- cancel the Tender Process and launch a new one;
- cancel the Tender Process and the whole Transaction.

## 2 Transaction Summary

### 2.1 Overview

The GEPB is inviting qualified Container terminal managers and operators to submit Proposals for the management, operation and maintenance of the Terminal at the POB.

The POB is a Government organization that operates with the flexibility of a private enterprise. An administrative committee has managed the POB since 1991, and currently fulfills the role of the port authority, landlord and care taker of the POB assets on behalf of the Government. GEPB is responsible for developing POB's Infrastructure and facilities, establishing the rules of operation and safety at all cargo Berths and within the port, establishing port tariffs, collecting port dues, leasing port facilities and providing services to POB's customers within the port.

Besides complying with the Eligibility Criteria, as well as proving the fulfillment of the required minimum financial and technical Qualification Criteria, the participation in the Tender Process is subject to administrative procedures and the purchase of the present Tender Document at a price of USD20,000 (Twenty thousand United States Dollars). Details of the procedure are summarized in Section 4.

With the aim to keep the process transparent, simple and practical, the overall process is based on compliance with the Eligibility and Qualification Criteria, the presentation of an interesting, viable and plausible Business Plan<sup>1</sup> and defining the award criteria as the lowest Container Handling Fee proposed by the Bidder for Container Handling Services, subject to the fulfillment of the other requirements set out in this Tender Document.

### 2.2 Transaction Description

- Bidders are required to submit their Proposals in individually sealed envelopes/packages comprising (1) a Technical Proposal and (2) a Financial Proposal, along with all further documentation required in Section 4;
- Bidders organized as a Consortium have to submit a Consortium agreement signed amongst all Consortium Members designating the Consortium Leader and specifying the roles of each Consortium Member. A notarized power of attorney by virtue of which each Consortium Member authorizes the Consortium Leader to represent the Consortium and the Consortium Members, sign on their behalf and bind them jointly and severally should be submitted with the Consortium agreement. The notarized power of attorney should be established before a Public Notary in Lebanon and, if established abroad, should be legalized and authenticated by the Lebanese Embassy in the country where it was established;

---

<sup>1</sup> The Business Plan will not be scored in the frame of the award process, however, as a technical Qualification Criterion, it is expected that Bidders outline their respective approaches to the different fields of the envisaged container terminal management, operation and maintenance contract. It should therefore reflect a description of Bidders' understanding of the scope and their approach to delivering the management, operation and maintenance services.



- After the Submission Deadline, the Evaluation Committee will conduct a transparent evaluation process by assessing, successively, the fulfillment of the Eligibility Criteria, the Qualification Criteria, the Technical Proposal and the Financial Proposal;
- In the frame of the assessment of the technical Qualification Criteria, the Business Plan submitted by Bidders will be assessed upon its plausibility, reasonable approach and development, mission and vision of the Bidder and although not being subject to a scoring exercise, it should reflect the understanding of the Bidders of the scope of expected services and their approach to meet the expectations;
- The Evaluation Committee will establish a ranking of all Proposals which will be headed by the one containing the lowest Container Handling Fee proposed by the Bidders;
- Based on the established ranking, the Preferred Bidder will be identified and invited to initiate the procedure leading to the signature of the Contract;
- The effectiveness of the Contract is subject, *inter alia* to the incorporation of a joint stock company in accordance with Section 5.5, the submission of a Performance Bond, the transfer of labor and certain contracts with third party service providers from BCTC to the newly established joint stock company within a specified period of time;
- Once the conditions precedent set out in the Contract are fulfilled, the Manager will have to provide the management, operation and maintenance services in accordance with the terms of the Contract.

The detailed schedule of the Tender Process is outlined in Section 5.3.

### **2.3 Transition Period**

The Transition Period begins with the fulfillment of the conditions precedent set out in the Contract as well as the handover of the Terminal operation to the Manager. The Transition Period extends for a period of twelve (12) months, during which the Manager should implement its administrative, organizational, technical and IT-structures/systems in order to fully cope with the provisions of the Contract as well as the planning defined in its own Business Plan. The twelve (12) month Transition Period is an integral period of time included in the 15 years' contractual period. During the Transition Period the following activities shall be completed by the Manager:

- Implementing all operative and related standards as defined and comply with mandatory features and arrangements for the safe and secure operation of the Terminal;
- Acquire and implement the new TOS (and replace the currently used TOS handed over by BCTC in day-to-day operation) and develop and implement the required interfacing with POB's existing systems as defined in the Contract;
- Starting the implementation of specific projects as defined in the Manager's Business Plan, e.g. with regard to further digitization of Terminal operation, automation of Terminal operation and greening of Terminal operation;
- Training of staff and reorganization of day-to-day operative processes and labor force organization to cope with the provisions of the Contract, especially the set KPIs.

### 3 Relevant Terms and Conditions of the Business Model

#### 3.1 Overview

The business model and framework for the management, operation and maintenance of the Terminal at the POB is summarized below:

- Duration of Contract – Fifteen (15) Years;
- Legal structure of the Manager – Joint stock company with 1/3 of the capital held by Lebanese citizens or a Lebanese company fully and exclusively owned by Lebanese citizens in accordance with Applicable Law;
- Operations – The Manager will provide Container Handling Services and storage at the Terminal between quayside and landside access to the Terminal as well as complementary services, if and when required by GEPB, at additional costs to be agreed upon between the Manager and GEPB in accordance with the terms of the Contract. In respect of sealing of Containers within the different operative cycles of the Terminal, the Manager has to care for all seals (bolt seals) for all unloaded Containers, as well as for any Container required to move to Customs clearance inspection;
- Labor – The Manager has to take over the present Lebanese employees of BCTC (whether employed directly by BCTC or by BCTC’s subcontractors) and keep them for the first Year of Contract to unaltered contractual conditions;
- Supplies – The Manager has to provide and develop information technology, especially acquiring and implementing a new state-of-the-art TOS. All related hardware and software equipment has to be provided by the Manager;
- IT – The Manager will ensure the TOS is compatible with GEPB’s system and must allow GEPB’s system to communicate seamlessly with the TOS. Furthermore, an interface has to be established particularly but not limited to the billing module of GEPB currently in use;
- A hangar which is currently under the custody of the incumbent Manager, located near Quay 12 shall be relocated. The Manager will have to build a new hangar which will be located within the boundaries of the Terminal. The precise location will be communicated by GEPB in due course. All expenses related to this activity are to be borne by the Manager;
- Maintenance – The Manager shall be responsible for the general operational maintenance of the area of the Terminal, of the buildings therein constructed or erected, of the Equipment including but not limited to the STS cranes, RTG cranes, mooring system as in use at the Terminal and generally of all buildings, STS rails, installations, fences and roadways at the Terminal;
- All operating expenses, including electricity, fuel, telephones etc. will be borne by the Manager;
- Tariffs – GEPB will establish all Container Handling Services tariffs;
- Collection – GEPB will be legally responsible for billing and collection of Container Handling Services tariffs and all other services provided by the Manager to the customers based upon information provided by the Manager;

- Remuneration – GEPB will pay the Manager the agreed Remuneration comprised of the Fixed Fee and the Container Handling Fee as per the Financial Proposal;
- Reporting – The Manager will provide GEPB with online access to operations data, and quarterly financial results. GEPB will have the right to inspect or audit the Manager’s operations with reasonable notice to the Manager. Additionally, GEPB’s MIS system will be fed by the Manager data and information as mutually agreed upon in due course;
- Communication between the parties - Official communication between the Manager and GEPB must be in English and/or Arabic Language.

### **3.2 Responsibility of GEPB**

The GEPB is the owner and interim regulator of the POB. The Manager is an independent commercial entity, and is the contractor for management, operations and maintenance of the Terminal. The key elements of the business relationship between the GEPB and the Manager are summarized below:

- GEPB will enter into the Contract with the selected Manager to manage, operate and maintain the Terminal on behalf of GEPB, for a period of fifteen (15) Years;
- GEPB will allow the Manager to utilize GEPB’s Terminal, the Equipment, maintenance and office facilities for the Contract Period. GEPB has the right to use the land and roads located on the Terminal to ensure execution of maintenance work. The Manager is responsible for the management of operations and security of goods in the area, and for all damages to public port property within its area;
- GEPB will ensure that all Container vessels calling at the POB will be handled at the Terminal, while multi-purpose vessels with Containers on deck will have the option of calling at either the Breakbulk Facilities at POB or at the Terminal.

GEPB will permit the Manager to operate as an independent commercial entity and terminal operator managing, operating and maintaining the Terminal as a Common User Terminal, with the right to handle Container traffic of Container vessels at the POB.

GEPB will provide the Container Berth, Equipment and the following facilities to the Manager:

- The Terminal<sup>2</sup> located at and including Quays 16 East and West, consisting of approximately 45 hectares of paved storage and a Quay wall of 1100 m of berthing space and a depth of 15.5 and 16.5 m;
- Container Handling Services Equipment which detailed list is available in the Data Room;
- The Equipment maintenance facilities at the Terminal or at a convenient location in the POB for the use of the Manager;
- Office facilities at the Manager office building on the Terminal (presently occupied by BCTC). The building has three floors and a total surface area of 2,955 m<sup>2</sup>, is furnished with central air-

---

<sup>2</sup> For details please refer to Annex B: POB and Relevant Information

conditioning, a data network, a telephone network, an electricity network, a fire-fighting system, and parking space;

- GEPB will monitor and audit the Manager performance and productivity according to the terms of the Contract between the GEPB and the Manager, with reasonable notice to the Manager of impending inspections and audit;
- GEPB will ensure that the Manager operates the Terminal as a Common User Terminal open to all users without discrimination, and will perform the following functions and duties in relation to competition at the Terminal:
  - a) Monitor the Manager's behavior and practices to ensure non-discrimination and fair competition for the benefit of all POB users;
  - b) Dispose of complaints and resolve disputes related to discrimination and anti-competitive practices in a timely and impartial manner;
  - c) Order the Manager to cease the activity or the behavior that is considered discriminatory or anti-competitive;
  - d) Terminate the Contract if it finds the Manager in repeated violation of the non-discrimination and fair competition requirements.
- GEPB shall regulate the berthing procedures comprising inter alia ships distribution on Quays and the provision of berthing windows.

In performing its duties with respect to preserving a non-discriminatory and fair environment at the Terminal, GEPB will apply best international practices.

### **3.3 Legal Structure of the Manager**

The Bidder selected as the Preferred Bidder shall have one (1) month to establish and incorporate a Lebanese joint stock company with 1/3 of the capital owned by Lebanese citizens or a Lebanese Company exclusively and fully owned by Lebanese citizens who shall sign the Contract for management, operation and maintenance of the Terminal with GEPB.

### **3.4 Responsibilities of the Manager**

The Manager will be responsible for the following:

- a) Managing the Terminal and conducting transshipment details obligation business in a manner that is consistent with best international practices and under observation of all performance standards defined in the Tender Document and Contract, and in accordance with the Applicable Law;
- b) Taking over the existing Equipment as is;
- c) Purchasing/Providing all needed additional equipment as necessary;
- d) Paying for all the expenses of operating the Terminal;
- e) Providing GEPB timely information for billing and collecting fees for the Container Handling Services provided by the Manager;
- f) Providing TOS and ensuring it interfaces with the information system of the GEPB, Customs, shipping agents, Freight Forwarders, Harbormaster, and the other entities

providing services at the Terminal (including Port Community System development and integration);

- g) Maintain and repair facilities and Equipment in a manner consistent with good maintenance practices and approved by GEPB, keeping all components in optimum and efficient performance conditions;
- h) Maintain and keep records on Container activity, productivity, operations, revenue and financial activity and providing Monthly reports in hard copy and soft copy to the GEPB, according to a mutually agreed format and essence;
- i) Provide quality reports to the GEPB in hard copy and soft copy to summarize activities according to an agreed upon format. The structure and format of these reports will be defined by GEPB during the Transition Period;
- j) Handle the security at the Gates of the Terminal and inside the Terminal as may be required and agreed upon by the GEPB or any additional facility handled by the Manager (ISPS compliance);
- k) Training of Lebanese personnel on operational and maintenance techniques of the Terminal;
- l) Proactive and good cooperation with the GEPB and the Government entities in relation to POB;
- m) Agree on the operating and commercial terms with the four (4) existing subcontractors of BCTC, and in case no agreement is reached within thirty (30) days from Contract signature, take over the employees of the subcontractors in accordance with the terms of Section 3.11;
- n) Take over the employees of BCTC in accordance with the terms of Section 3.13;
- o) Purchase from BCTC the Equipment spare parts at book value.

The Manager has to meet pre-specified performance standards regarding productivity and service, which are specified in the Contract.

### **3.5 Insurances**

The Manager will maintain operator liability insurance and any other insurance that covers damages caused by accidents, acts of God, acts of third parties, and other risks that affect the Manager personnel or assets of the Terminal. More specifically:

- a) The Manager shall purchase insurance policy(ies) with a reputable local insurance company acceptable to GEPB in sufficient first loss limits by GEPB with no less than USD100,000,000 (One hundred million United States Dollars) as equipment value and USD50,000,000 (Fifty million United States Dollars) in respect of liability to cover property damage resulting from the Manager handling equipment and Containers and the various liabilities resulting thereof. The first loss limits of coverage shall be reviewed and agreed in line with the total sum insured and the updated annual value of equipment.
- b) The policy(ies) should cover (i) liability towards handled Containers, (ii) insurance of assets/equipment (except the Dock and the Wharf) including removal of wreck, (iii) third party liability, (iv) professional liability and (v) liability to Government authorities. The policy should be submitted to GEPB ahead of its issuance for prior review and approval by GEPB.

- c) The indemnity under the policy(ies) required under (a)/(b) above must be based on New Replacement Value. The policy(ies) should be 100% reinsured with A and above rated reinsurers according to the rating of either STANDARD & POOR'S, AM Best, Moody's or Fitch. The policy(ies) required under (a) must include a Cut Through Clause.
- d) The policy(ies) required under (a)/(b) shall protect and indemnify the Manager and GEPB with respect to any damages that may be caused to the Manager's controlled assets by any accidental occurrence including fire, smoke, water damage, storm, flood, earthquake or other natural disasters or catastrophes including tidal waves, collision and impact of the vessels or aircraft, strikes, riots and civil commotion including malicious acts.
- e) The policy(ies) required under (a)/(b) shall extend to cover the Manager's operations affecting property, including vessels and Containers not owned or subcontracted by the Manager when they are, at all material times considered to be under the custody or operating control of the Manager the existence of a valid insurance policy in itself will not void the Manager's liability vis-à-vis GEPB with respect to the Manager's operational responsibility for the Terminal assets and equipment with the exception of the Dock and Wharf, which will remain the liability of GEPB.
- f) The policy(ies) shall include liability resulting from the handling of Containers that is, liability for loss, damage or expense incurred during any operation involving the handling, manipulation or stacking of Containers whether incoming or outgoing.
- g) The Manager shall cover its professional liability vis-à-vis GEPB or any other POB user or any third person or any of the Manager's agents, contractors, subcontractor or employee arising out of negligent or intentional act or omission of the Manager in connection with the Contract (including reasonable attorney fees) and costs on account of the claims, lawsuits, or losses arising therefrom.
- h) The Manager shall purchase a Workmen's Compensation insurance to cover all the employees on site against work related injuries and emergencies as per the Labor Law Decree 136 of 1983. This insurance shall cover medical expenses and indemnities in case of disability or death.
- i) In the event where, for any reason, GEPB may be compelled, by force of law or judicial decision to settle a claim of death, disability, injury to persons or damage to POB Terminal property under the responsibility of the Manager, then GEPB will be entitled to recover such claim from the Manager by any legal means possible.
- j) The Manager shall submit to GEPB, at each renewal, copies of the insurance policies and any amendments or endorsements to the policies during the period of the policies must be disclosed, approved and submitted to GEPB. The Manager shall provide a list of reinsurers (security list) along with the policies in addition to a confirmation of premium payment acceptable to GEPB.
- k) The Manager commits to maintain insurance coverage current during the entire duration of this Contract, failure to comply with this condition shall constitute a default.

### **3.6 Duration of Contract**

The duration of the Contract between GEPB and the Manager will be fifteen (15) Years.

### **3.7 Operations**

- The Manager will provide all services inherent to the Container Terminal management, operation and maintenance, covering all operative cycles as they are: ship to shore and vice versa, stacking of Containers, receiving and delivering of Containers including all horizontal moves as requested by customers, GEPB or relevant stakeholders such as Customs authority, ministries and other public institutions.
- All services will be provided in the frame of the port regulations, including relevant by-laws.
- The Manager will handle Containers from vessel to Yard, and vice versa, and will provide all services to the cargo including Terminal handling as mentioned in the document “Obligations, task and responsibilities of the Manager” available in the data room (also movements of the Containers to the Customs area).

The Terminal will be used for Containers only, unless otherwise permitted by GEPB.

### **3.8 Relationship with Other Users**

Berthing of vessels will be the responsibility of the Harbormaster in coordination with the Manager as to the placement and timing of vessel berthing.

The Manager will coordinate port operations and activities with POB/GEPB.

### **3.9 Supplies**

The Manager shall provide necessary supplies of the smaller moveable assets (especially Reach Stackers, empty handlers, TTUs, fueling trucks, Terminal cars, etc.).

The Manager shall initially acquire the right to use the TOS from the incumbent at a pre-agreed upon price (including user licenses) and operate the TOS during the Transition Period to ensure smooth operations, after which the new Manager shall provide an improved and new TOS.

The Manager shall also commit to purchase equipment and their spare parts, currently used in the operations, from the incumbent at their respective book values.

The Manager shall also provide smaller ancillary systems according to its requirement, e.g. camera system at the Terminal fence and gate.

The specifications of relevant Equipment, especially Container Handling Services engines, IT technology, etc., have to be submitted for approval by GEPB prior to introduction into the Terminal. Particularly all IT and communication related equipment shall be compatible with the existing port configuration and systems under operation like Customs, GEPB and other stakeholders.

Provision of information systems, radio data terminals, hardware and software will be the Manager’s responsibility.

As Container volume increases, the Manager may need to provide additional Container Handling Services equipment to maintain high levels of productivity and service, excluding STS and RTG cranes.

Provision for any additional superstructure required by the Manager for operations and maintenance at the Terminal will be the Manager's responsibility.

GEPB may also request the Manager to assist in developing a Port Community Services System and integrate it with POB's existing management information system, the cost of which will be borne by GEPB.

At the expiration or termination of the Contract, GEPB will take back the Equipment and structures put at the disposal of the Manager for the provision of their services. If additional equipment and facilities purchased by the Manager during the Contract Period are fully depreciated, the GEPB can either accept to take ownership thereof without paying the Manager any reimbursement, or require the Manager to remove its equipment and structures, if any, at its own expense; i.e., the Manager leaves the Terminal in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted. If, on the other hand, additional equipment and facilities purchased by the Manager during the Contract Period are not fully depreciated, the GEPB shall have the option to purchase such equipment and facilities at their depreciated book values or require the Manager to remove such equipment and structures, if any, at its own expense; i.e., the Manager leaves the Terminal in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted.

### **3.10 Maintenance**

The Manager is required to maintain the Equipment provided by the POB in good standing and in line with the OEM's requirements, including, amongst others, corrective and preventative maintenance as well as overhauling whenever due (with overhauling covering structure, painting, mechanical components, electrical components, and the due replacement of accessories and spare parts).

All recurring and incidental maintenance expenditures for Equipment and facilities used by the Manager shall be carried out by the Manager excluding dredging and fenders. It is the Manager's responsibility to maintain the Terminal and Equipment in a good and efficient operating condition.

GEPB will establish an inspection system whereby the GEPB and the Manager will jointly review maintenance procedures, preventive maintenance plans and maintenance work performed on a quarterly basis.

GEPB reserve the right to request the Manager to operate and maintain the mooring system as from year 2023 onwards for an additional fee to be mutually agreed upon.



### **3.11 Subcontracting of operations and maintenance and purchase of spare parts**

The Manager shall renegotiate the subcontracting terms with the four (4) existing subcontractors of BCTC, and in case no agreement is reached, take over the employees of the subcontractors in accordance with their existing employment terms for a period of one (1) Year only following taking over to ensure smooth operations, after which the labor laws of Lebanon will govern the relationship between the Manager and the transferred employees.

The Manager shall buy from BCTC the spare parts pertaining to the Equipment and the Terminal's operations at their book values; a detailed list of the spare parts and their book values is available in the Data Room.

The Manager is also expected to either buy or lease from BCTC any additional existing equipment and furniture deemed necessary for the operations.

### **3.12 Security**

The Manager will handle Terminal security within the physical boundaries of the Terminal and any other facility included in the Contract. The Manager has to achieve/provide international certifications, including ISPS related conformity and Quality Management System ISO 9001:2015 or equivalent within three (3) Years from the start of the duration of the Contract.

### **3.13 Labor**

The Manager will hire its own staff, and will give preference to Lebanese personnel.

The Manager has to take over the present employees of BCTC, excluding the CEO, CFO and COO, and subsequently commit to employ them for one (1) Year only in accordance with their existing employment terms to ensure smooth operations, after which the labor laws of Lebanon will govern the relationship between the Manager and the transferred employees.

All employees will have to adhere to the Manager's employment conditions, however in conformity with Applicable Law.

### **3.14 Performance Standards**

The performance standards required have not been defined deliberately; they are required by the GEPB and the port reflecting the minimum operational and managerial coefficients in order to maintain and gradually increase the Container Handling Services capacity of the terminal with productivities preventing from waiting times of vessels and queuing of horizontal Container traffic.

Additionally, it is the aim to steadily improve the quality of the work environment by minimizing incidents affecting work force, equipment or the environment. The below table shows the relevant performance standards, indicating the initial minimum requirements.

Considering the Container throughput capacity of the Terminal, it is important to grant smooth flows of Containers especially at the land and quayside interfaces. Any underperformance of the Manager in these interfaces will impact directly the overall throughput capacity of the Terminal and consequently, represent a financial prejudice internally and a competitiveness prejudice in the regional port context.

The performance and relevant indicators will be monitored by the GEPB in the frame of the Management Information System. Penalties for non-compliance with the minimum requirements are applicable as set forth in Schedule 9 of the contract attached as Annex I: Contract for Management, Operation and Maintenance of the Container Terminal at Beirut Port.

The Manager will be required to meet at a minimum the following performance standards:

Category	Indicator	Value	Unit	Limitation
<b>Human Resource/Occupational Health and Safety</b>				
	Total Annual Training of Workforce (portion of work force trained per year)	10%	Percentage	Minimum
	Cargo safety incidents per month (container damaged, cargo damaged)	3	No.	Maximum
	Labor safety incidents per 3 months	1	No.	Maximum
<b>Vessel Operation</b>				
		<b>Number of STS Cranes</b>	<b>Move / hour</b>	<b>Limitation</b>
	Average no. of moves per gross berthing hour (up to 500 moves)	2,5	60	Minimum
	Average no. of moves per gross berthing hour (up to 1000 moves)	3	75	Minimum
	Average no. of moves per gross berthing hour (up to 1500 moves)	3,5	90	Minimum
	Average no. of moves per gross berthing hour (up to 2000 moves)	4	100	Minimum
	Average no. of moves per gross berthing hour (up to 2500 moves)	4,5	115	Minimum
	Average no. of moves per gross berthing hour (2500 moves and above)	5 - 6	125	Minimum
<b>IT and data registration</b>				
	Container single slot position data accuracy	99%		Minimum
<b>M&amp;R</b>				
	Availability of main Container Handling Services Equipment (STS Cranes/RTG Cranes/TTU/RS/EH)	90%	Percentage	Minimum
<b>External Trucks</b>				
	Average Truck Turn-Around Time for a single truck	90	Minutes	Maximum
	Average Truck Turnaround Time at CT – Single Mission (gate in/gate out)	30	Minutes	Maximum
	Average Truck Turnaround Time at CT – Double Mission (gate in/gate out)	55	Minutes	Maximum
<b>Other</b>				
	Environmental Incidents per year	2	No.	Maximum

The Manager shall make the Terminal available for operations 24 hours a Day, 365 Days a Year. The Manager will be expected to conform to or exceed these performance standards, and may propose higher performance standards.

### **3.15 Remuneration of the Manager**

The Manager will be remunerated on a Monthly basis. For this purpose, the Manager shall invoice the POB (GEPB) on a Monthly basis, for both the Fixed Fee and Container Handling Fee. GEPB will settle invoices within a period of sixty (60) Days after receipt as follows:

- a) The Monthly portion of the Fixed Fee;
- b) The Monthly cumulative amount of Container Handling Fee for domestic trade;
- c) The Monthly cumulative amount of Container Handling Fee for transshipment traffic for which a 35% discount shall apply on the fee applicable for domestic Container Handling Fee as further elaborated under Section 4.6.2.

### **3.16 Reporting**

The Manager and GEPB will hold meetings to discuss issues arising from the implementation of the Contract during the first Year, on a fortnightly basis; and subsequently, on a Monthly basis or longer duration mutually agreed upon by both parties.

The Manager will provide data and information into a management information system of GEPB permitting billing of services and monitoring of operational activities. Such system shall be integrated into the concept of digitization of the Manager allowing a smooth online communication and monitoring by GEPB.

The Manager will provide Monthly reports to GEPB, analyzing handled Container activity, Terminal productivity, operations, tariffs and financial data related to the Terminal. The Monthly reports will also include a description of the number and types of complaints made by POB users and details of marketing initiatives undertaken or proposed.

The Manager will provide on line access for the data that GEPB needs whether for billing or for supervising.

### **3.17 Marketing**

The Manager will support GEPB aiming at securing and increasing Container volumes and in coordination with GEPB will participate in specific events and meetings. The Manager shall also secure the continuity and implementation of the transshipment contracts in force between GEPB and the three shipping line companies, copies of which are available in the Data Room.

### **3.18 Training and Capacity Building**

Transfer of technology to Lebanese personnel is an important component of this Transaction. The Manager will train and build technical capacity of Lebanese personnel in all areas of modern Container terminal management, operation and maintenance. The requested Business Plan shall indicate the efforts being spent for this activity in terms of technical program.

### **3.19 Digitization**

The Manager will support the GEPB in all phases of implementation and operation of a port community service system. The Manager's TOS shall be directly linked to the port community service system and the GEPB's management information system through appropriate interfaces and shall provide amongst others, a state-of-the-art terminal operating system capable of digitizing all operative and administrative cycles of the terminal management and operation, including automated gates, yard operation, quay-side operations, etc. Minimum Standard Navis N4 or equivalent.

### **3.20 General Provisions**

#### Privatization Plans of POB

In case of a privatization of the POB during the Contract Period which leads to an early Contract termination, the Manager will be given a notice period of twelve (12) Months, coupled with an indemnity schedule as follows:

- The Fixed Fee multiplied by a factor of (2.0x) in case at least eight (8) Years are remaining from the Contract Period as at the effective date of termination.
- The Fixed Fee multiplied by a factor of (1.5x) in case five (5) to eight (8) Years are remaining to Contract expiration as at the effective date of termination.
- The Fixed Fee multiplied by a factor of (0.5x) in case less than five (5) Years are remaining from the Contract Period as at the effective date of termination.

#### Termination

GEPB has the right to terminate the Contract with the Manager in accordance with the terms of the Contract.

At the expiration or termination of the Contract, GEPB will take back the Equipment and structures put at the disposal of the Manager for the provision of their services. If additional equipment and facilities purchased by the Manager during the Contract Period are fully depreciated, the GEPB can either accept to take ownership thereof without paying the Manager any reimbursement, or require the Manager to remove its equipment and structures, if any, at its own expense; i.e., the Manager leaves the Terminal in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted. If, on the other hand, additional equipment and facilities purchased by the Manager during the Contract Period are not fully depreciated, the GEPB shall have the option to purchase such equipment and facilities at their depreciated book values or require the Manager to remove such equipment and structures, if any, at its own expense; i.e., the Manager leaves the Terminal in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted.

## **4 Instruction and Guidelines to Bidders**

### **4.1 Overview**

This section serves to instruct and guide Bidders to prepare their respective Proposals in respect of its format and the essence of the different requirements. It summarizes partly preceding sections of the Transaction with the aim to simplify the different steps of the Tender Process and help to comply with the Tender Document and Process requirements.

### **4.2 Format and Content of the Proposal**

The Proposal has to be submitted in one sealed envelope. This envelope should contain further two (2) envelopes containing the documentation for each step of the evaluation process as follows:

#### *Envelope 1 Technical Proposal*

*Cover letter* (signed by a legally authorized representative of the Bidder) specifying:

- Content of the Proposals – list of all items included in the package;
- Full name, address, and contact information for the entity submitting the Proposal and in the case of a Consortium of the Consortium Leader;
- Undertaking that the terms and conditions offered in the Proposals will remain effective until the signature of the Contract by the joint stock company to be established by the Preferred Bidder in accordance with Section 5.5 no later than the date set out in Section 5.3;
- An acknowledgment that each of the documents submitted in the Proposal is an original copy or a true faithful reproduction or copy of the original and all information provided herein, including the annexes and enclosures thereto, is true and correct. The Bidder is liable, (including criminally), for any misinterpretation or false statement made herein. The Bidder understands that should any information be false or misrepresentative, the Bidder submitting it within its Proposal may be disqualified;
- A declaration confirming that the Bidder has no conflict of interest in this Transaction, and has in no way sought to or will in the future seek to illegally influence the selection process or the decision of the GEPB, subject to immediate disqualification.

*Documents:* All documents described in Sections 4.3 and 4.4 serving to determine eligibility and qualification to participate including corporate, legal and administrative documents as follows:

- Articles of Association, certificate of registration at the commercial register (or other competent authority) or power of attorney or board of directors or general assembly minutes of meeting (as the case may be) evidencing that the Bidder is in good legal standing and identifying the authorized signatory on behalf of the Bidder. If the Bidder is organized as a Consortium, all above-mentioned documents should be submitted by each Consortium Member in addition to the Consortium Leader. If the Bidder is a Lebanese company or if one of the Consortium Members or the Consortium Leader is a Lebanese company, certificates of non-bankruptcy and non-liquidation from the commercial register where the company is

registered as well as a quietus from the National Social Security Fund valid for the submission of a Proposal to the GEPB. If a Lebanese citizen is submitting with the Bidder or as part of a Consortium, a certified true copy of the identity card should be submitted along with an original judiciary record extract showing no judiciary condemnation whatsoever;

- If the Bidder is organized as a Consortium, a signed agreement amongst the Consortium Members designating the Consortium Leader and specifying the roles of each Consortium Member;
- A signed copy of the GEPB Confidentiality Agreement which form is attached to the Tender Document as Annex D: Confidentiality Agreement (Template);
- A receipt from GEPB to confirm payment of a non-refundable fee of USD20,000 (twenty thousand United States Dollars) being the purchase price of the Tender Documents;
- A Bid Bond in an amount of USD1,000,000 (One million United States Dollars), as commitment to maintain the terms of the Proposal, valid until the signature of the Contract by the joint stock company to be established by the Preferred Bidder in accordance with Section 5.5 no later than the date set out in Section 5.3;
- A letter from the Bidder's bank confirming that in the event the Bidder is selected as the Preferred Bidder, they have adequate resources in the bank to issue a Performance Bond in the amount of USD5,000,000 (Five million United States Dollars) as per the text specified in Annex F: Letter of Performance Bond (Template), on the date of signing the Contract between the Manager and the GEPB.
- A copy of the Tender Document, all pages duly signed by the authorized signatory.

*Technical Proposal:* Technical Proposal containing documentation according to Section 4.5 comprising, amongst others, the Business Plan elements as per the guidelines of Section 4.5 – noting that the Business Plan shall not include any revenue parameters or revenue projections.

- The complete Technical Proposal and any relevant appendices with all elements as required by GEPB have to be signed and stamped by the authorized signatory of the Bidder and, if the Bidder is a Consortium, by the Consortium Leader, on each page of the Technical Proposal.

*Envelope 2:* Financial Proposal containing the completed template as per Section 4.6 with underpinning documents including the financial information related to the Business Plan (operative costs).

- The complete Financial Proposal and any relevant appendices with all elements as required by GEPB, stamped and signed by the authorized signatory of the Bidder and, if the Bidder is a Consortium, by the Consortium Leader, on each page of the Financial Proposal.

The envelopes must be sealed and indicate:

- a) The header: "PROPOSAL FOR THE MANAGEMENT, OPERATION AND MAINTENANCE OF THE CONTAINER TERMINAL AT THE PORT OF BEIRUT, LEBANON";
- b) Name, full address, phone, fax and e-mail address for the Bidder or if the Bidder is a Consortium, the Consortium Leader;

- c) Content of the Proposal; i.e., whether "Technical Proposal" or "Financial Proposal".

### 4.3 Eligibility Criteria

- Bidders have to fulfill the following Eligibility Criteria to be allowed to proceed to the next stage of fulfilling the Qualification Criteria: Only legal persons (companies) are eligible to submit a Proposal. Individual natural persons are not eligible to submit a Proposal;
- If the Bidder is a foreign entity, they should specify in their Technical Proposal the identity of the Lebanese citizens and/or the Lebanese company which shall hold 1/3 of the capital of the joint stock company that will enter into the Contract with the GEPB should the Bidder be appointed as Preferred Bidder. Failure to abide by the foregoing requirement may result in the rejection of the Bidder's Proposal. A Consortium should specify in their Technical Proposal the identity of the Lebanese citizens and/or Lebanese company which shall hold 1/3 of the capital of the joint stock company that will enter into the Contract with the GEPB should the Consortium be appointed as Preferred Bidder. Failure to abide by the foregoing requirement may result in the rejection of the Consortium's Proposal.
- A Consortium shall not include a Bidder submitting an individual Proposal nor a Consortium Member or Leader acting as Consortium Member or Consortium Leader in another Consortium submitting a separate Proposal.

Every Bidder (including the Lebanese company which shall hold 1/3 of the capital of the joint stock company which shall enter into the Contract with GEPB), and if the Bidder is organized as a Consortium, the Consortium Leader and each Consortium Member, has to provide evidence by original or certified true copies of original documents issued by public organizations and/or statements of the management to be included in Envelope 1 (all certified by notary and translated into English language by a certified translator):

- Non-bankruptcy status (certificate of non-bankruptcy and certificate of non-liquidation issued by the commercial register where the Bidder or the Consortium Leader or the Consortium Member is registered);
- Not accused or condemned for fraud and corruption;
- Not accused or condemned for violating tax laws;
- Not accused or condemned for not paying social security charges (quietus issued from the National Social Security Fund when the Bidder or the Consortium Leader or the Consortium Member is a Lebanese company);
- Not accused or condemned for violating fundamental labor and social standard;
- No specific litigation history related to the violation of contracts for port terminal operation/No litigation with the Lebanese Government;
- Not blacklisted by international organizations;
- Not under any multilateral/bilateral sanction or boycott schema;
- Signed Confidentiality Agreement with GEPB as per Annex D: Confidentiality Agreement (Template);

- Bid Bond as per Annex E: Bid Bond (Template).

If a Lebanese citizen is submitting with the Bidder or as part of a Consortium, a certified true copy of the identity card should be submitted along with an original judiciary record extract showing no judiciary condemnation whatsoever.

All documents issued from foreign governments or established in foreign countries must be translated to English, legalized and authenticated by the Lebanese embassy in the country where they were issued and/or established.

## **4.4 Qualification Criteria**

### **4.4.1 Approach**

Bidders who have fulfilled the Eligibility Criteria set out in Section 4.3 have to fulfill the following Qualification Criteria:

- Candidates have to provide proof of their technical and financial Qualification Criteria according to the below outlined criteria. Furthermore, any Bidder has to be properly licensed to perform Container terminal management and operations services as foreseen in the context of this Tender Process in the countries where they provide the services and should submit official documents evidencing the same, translated to English, legalized and authenticated by the Lebanese embassy in the country where they were issued;
- In case of a Consortium, the Consortium Leader has to be properly licensed to provide Container terminal management and operations services in the countries where it provides the services and comply with the technical and financial Qualification Criteria as per below.

### **4.4.2 Financial Qualification Criteria**

- Bidders are requested to evidence Yearly (a) overall revenues, and (b) revenues generated by a similar activity as tendered for the five (5) preceding financial years. Any financial year shall show minimum overall revenues of USD100,000,000 (One hundred million United States Dollars), including a turnover generated by the Container Handling Services (similar activity as the tendered one) in a sea port Container terminal of minimum USD65,000,000 (Sixty five million United States Dollars);
- All above mentioned financial indicators have to be proved by legally accepted standard documents for every year (accounting);
- All presented financial statements shall be audited by licensed external auditors.

### **4.4.3 Technical Qualification Criteria**

Bidders should demonstrate management and operations capacity as well as practical experiences in similar fields as tendered in the present process. Following criteria shall be satisfied:

- Management capacity of comparable Container terminals, including operations, digitization, maintenance and technical capacity as required by the envisaged management, and operation contract for the Terminal of POB;



- Demonstrate having provided management, operation and maintenance services for, at least, three (3) comparable specialized Container terminals, with at least one specialized Container terminal outside its country of origin, as main contractor (Please provide a description of each of the indicated terminals including relevant documentation) during the five (5) Years preceding the Year during which the Tender Process was launched (2014 – 2018) with a handled annual volume of not less than 3,000,000 (three million) TEU in total;
- Having implemented at one of their terminals a modern Container handling technology (gate operation, Yard management, workshop, Container operations) supported by a state-of-the-art terminal operating system;

All above requirements (technical and financial) shall be evidenced by internationally and industry specific documentation; however, GEPB may revert to additional verifications in the event that the presented documentation is not sufficiently concluding.

## **4.5 Technical Proposal**

The Technical Proposal shall provide the following information, structured and aligned as listed below.

### **4.5.1 Corporate and Business Qualifications**

The Bidder shall submit the below documents evidencing their experience and financial capability to manage, operate, and maintain the Terminal (according to Section 4.4):

- Corporate and Business Unit Mission;
- A description of the Corporate and Business Unit;
- Names of the Lebanese citizens and/or companies to hold at least 1/3 of the shares of the joint stock company which will be incorporated by the Preferred Bidder to enter into the Contract with GEPB;
- Organizational structure;
- Primary line of business and other related investments;
- Size, defined by total TEU's handled annually in the most recent three (3) Years of operations;
- A description of the Bidder's geographic locations;
- Number of employees;
- Other relevant information indicating the Bidder's technical capabilities to manage, operate and maintain the Terminal of POB.

#### **4.5.2 Management Team**

Names, resumes, experience, capabilities and positions of key staff proposed for the management, operation and maintenance of the Terminal at POB.

All members of the management team should be fluent in English language (read and written).

#### **4.5.3 Organization**

A chart including responsibilities of each member of the senior management team should be provided. The top three (3) executives including CEO, Operations Director and IT Systems Director proposed must be committed for a minimum of three (3) Years.

#### **4.5.4 Business Plan**

The Business Plan shall comprehensively reflect the Manager's strategic and operational plans of action over the projected period of operations along with their corresponding Yearly cost and expenditure budgets. The Business Plan shall exclude any reference to revenues and thus any reference to the Bid Price, implicitly or explicitly; otherwise, the Bidder will be automatically disqualified. The competency and viability of the submitted Business Plan is a technical Qualification Criterion. Failure to submit a comprehensive, competent and viable Business Plan, and which cost and expenditure budgets are commensurate with the prospective operations of the Manager, will lead to disqualification.

The Business Plan should be structured according to below schema, elaborating every item in a manner allowing the Evaluation Committee to assess upon the reasonableness of approach and knowledge of the local and regional market, business and shipping context and particularities. The Business Plan and strategy for the management, operation and maintenance of the Terminal shall include but not be limited to an elaboration of the following themes:

- Organizational structure;
- Container and business volume projections;
- Terminal and port management, operation and maintenance plan, including labor plan;
- Proposed supplies of the Manager in equipment, amount and timing;
- Proposed Terminal management systems and functions, and integration with GEPB's administration and billing system;
- Strategy to increase productivity and fully utilize the capacity of the Terminal;
- Proposed performance standards in relation to international benchmarks, and timing for achieving these operational and productivity targets. Minimum standards are set out in Section 3.14;
- Innovations (operations, IT, etc.) aiming at enhancing capacities and efficiencies of Container Handling Services and vessels dispatch beyond mandatory TOS system, digitization;

**Structure and Contents of the Business Plan**

<b>BP Element</b>	<b>Subject</b>
<i>Mission and Vision</i>	General Rationale
	Role of Manager
	Implementation of new technologies
<i>Transition Plan Outline</i> <sup>3</sup>	General Rationale
	Transition Topics and Strategies
	Time Plan / Gantt Chart
	Risks
	Specific Costs
<i>Marketing and Sales Plan</i>	Description of the market environment
	Specific market aspects for POB Terminal
	General strategy for marketing and sales
	Marketing & sales Plan for the 1st Contract Year
	Cooperation with GEPB (role model)
<i>Operative planning</i>	General Rationale
	Required Tools
	Required Personnel / Organization-Chart
	Required M&R
	IT
	Special Projects (digitalization, automation, greening, etc.)
<i>Cost Projections</i> <sup>4</sup>	General Rationale
	Costs (cost projections broken down by categories), with the objective being to ensure that the cost budgets are commensurate with the operating plan.

**4.6 Financial Proposal**

The Remuneration of the Manager will be comprised of (1) the Fixed Fee, and (2) the Container Handling Fee. The Bidders are only required to propose the Container Handling Fee in accordance with the following information:

**4.6.1 Fixed Annual Management, Operation and Maintenance Fee**

The Fixed Fee will be USD12,000,000 (Twelve million United States Dollars), to be paid in twelve (12) equal Monthly installments, which is meant to provide basic cash flow requirements for the Manager to cover part of the foreseen total operating expenditures.

The Fixed Fee shall be subject to an escalation of 5% every five (5) Years of Contract Period, more specifically in Year 6 and Year 11 of the Contract.

<sup>3</sup> Please refer to the definition of Transition Period in the context of this Tender Process as per Section 2.3

<sup>4</sup> This section shall not include any revenue parameters or revenue projections subject to disqualification

#### **4.6.2 Container Handling Fee**

Bidders are requested to propose a Container Handling Fee per TEU: “the Bid Price”. The Bid Price shall contain two decimal digits. The Bid Price shall apply fully to the domestic Container handling; however, a 35% discount to the Bid Price shall apply to the transshipment Container Handling Services. The 35% discount is a fixed discount; Bidders shall only propose the Bid Price.

The Container Handling Fee per TEU to be submitted by each Bidder, shall be driven by (a) the foreseen operations of the POB over the next fifteen (15) Years and (b) the foreseen operating expenditure budget of the Manager, so as to ensure an economically viable business case for the Manager.

The Container Handling Fee proposed by the Bidder will be the criterion based on which the Preferred Bidder will be designated. The proposed Container Handling Fee shall contain two decimal digits and the Bidder offering the lowest Container Handling Fee will be considered as the Preferred Bidder and subsequently invited by GEPB for Contract finalization.

In case two or more Bidders propose exactly the same Container Handling Fee, they will be requested to revise their respective offers and resubmit in sealed envelopes.

The Container Handling Fee shall also be subject to an escalation of 5% every five (5) Years of Contract Period, more specifically in Year 6 and Year 11 of the Contract.

Annex G, a soft copy of which is provided as part of the Tender Process, shall assist the Bidder in the submission of the Bid Price in the Financial Proposal since it projects revenues over the Contract Period based on a set of parameters comprising capacity, capacity utilization, breakdown of volumes amongst domestic and transshipment, and, the Bid Price. Bidders shall NOT submit Annex G. They shall submit only the Bid Price in the Financial Proposal. The soft copy of Annex G is only meant to assist the Bidder in submitting their Bid Price. A submission of the Bid Price, implicitly or explicitly, in the Technical Proposal shall lead to automatic disqualification.

Payment of the Remuneration (both Fixed and Container Handling Fees) of the Manger by GEPB will be in US Dollars or the equivalent in Lebanese Pounds (LBP) at the official exchange rate of the Central Bank of Lebanon at the date of payment. However, shall all payments received from the shipping liners and shipping agents be settled in US Dollars, the GEPB shall then commit to pay at least 50% of both the Fixed and Container Handling Fees in US Dollars.

### **4.6.3 Business Plan– Financial Information**

Bidders shall include the Manager’s operating cost structure as well as the assumptions underlying the different cost items:

- Work force (staff and labor);
- Training of staff;
- Consumables;
- Maintenance and repair;
- Others (operating costs).

### **4.6.4 Validity of Fees & Revision**

The Remuneration of the Manager (both Fixed and Container Handling Fees) shall remain unaltered throughout the Contract Period of fifteen (15) Years subject to the 5% escalation as set out in Sections 4.6.1 and 4.6.2.

### **4.6.5 Supporting Documentation**

The reasonableness of the Financial Proposal, indicating all main assumptions will be corroborated in the context of the assessment of the Business Plan and the completed template as per Section 4.5.4.

### **4.6.6 Format and Submission<sup>5</sup>**

The Proposal should be submitted in one (1) original, five (5) hard copies and three (3) electronic versions. The recipient of the Proposal is as follows:

President – Director General  
Gestion et Exploitation du Port de Beyrouth (GEPB)  
Port of Beirut  
Port of Beirut Area (Near Corniche al Nahr)  
P.O. Box: 1490  
Beirut, Lebanon.  
Telephone: 961-1-580918 or 580211  
Fax: 961-1-569511  
E-mail: [Pobctotender@gmail.com](mailto:Pobctotender@gmail.com)

### **4.6.7 Language of the Proposal**

The Proposals and all documents submitted shall be in the English language. Documents which original is not in English should be submitted in their original language accompanied with a certified English translation.

---

<sup>5</sup> Bidders are entirely responsible for ensuring that their Proposals package is delivered to GEPB no later than the Submission Deadline. Bidders will be fully responsible for the costs and expenses for preparing their Proposals, attending meetings, conducting Site inspections, due diligence and for all other costs related to the Proposals. The GEPB will not reimburse Bidders or be liable for any costs under any conditions.

#### **4.6.8 Stamp Duty**

The stamp duty arising out of the Contract signature shall be completely and solely borne by the Manager who shall be required to pay it in due time.

#### **4.7 Deadline for Submission**

Proposals should be delivered at the above-indicated address before the Submission Deadline. Proposals submitted after the Submission Deadline shall not be received by GEPB.

#### **4.8 Confidentiality**

GEPB appreciates that Bidders may provide information, which is confidential. Bidders should mark such information as “CONFIDENTIAL”. GEPB commits to maintain all information which is marked as such by Bidders, as strictly confidential, and will not disclose it to any party other than the Evaluation Committee. The Evaluation Committee will also be bound by the same confidentiality requirements.

#### **4.9 Forfeiture of Bid Bond**

GEPB may make a call under a Bidder's Bid Bond for any amount up to the full value of such Bid Bond, and such amount shall be forfeited by the Bidder, in any of the following circumstances:

- the Bidder or if a Bidder is organised as a Consortium, any Consortium Member or the Consortium Leader, seeks to modify, correct and/or withdraw its Proposal or any part of its Proposal (which shall include raising any issue or item in respect of the Tender Document that was not expressly and explicitly raised in its Proposal and/or raising any issue or item that was raised in its Proposal but was subsequently dropped or revised) after the Submission Deadline;
- the Preferred Bidder has been invited to finalize the Contract and formalities required to be finalised for the execution of the Contract with GEPB and fails to carry out the same within seven (7) Days of such invitation;
- the Preferred Bidder does not incorporate the joint stock company which will enter into the Contract with the GEPB within 30 (thirty) Days or incorporates it with an ownership structure including members who were not part of the Tender Process;
- the Preferred Bidder or the joint stock company established by the Preferred Bidder does not sign the Contract with GEPB within 30 (thirty) Days.

#### **4.10 Ground for Disqualification**

GEPB may at any time at their sole discretion, disqualify any Proposal from further involvement in the Tender Process. A Bidder may, at any time, be disqualified from any further involvement in the Tender Process if any one or more of the following grounds apply:

- the Bidder (or any Consortium Member) request the modification of the Contract which form is appended to the Tender Document whether in its Proposal or at any stage of the Procurement Process (including post appointment as Preferred Bidder);
- the Bidder does not fully abide by the requirements of Section 4.2 and Annex E in relation to the Bid Bond;
- the Bidder does not abide by the requirements of Section 4.3 in relation to the identification of the Lebanese citizen(s) and/or the Lebanese company exclusively and fully owned by Lebanese citizens which will hold 1/3 of the capital of the joint stock company should the Bidder be appointed as Preferred Bidder;
- the Bidder (or any Consortium Member) is insolvent or there is evidence that the Bidder (or any Consortium Member) is likely to become insolvent;
- the Bidder (or any Consortium Member) has been convicted of a criminal offence relating to the conduct of its business or profession;
- the Bidder (or any Consortium Member) has committed an act of grave misconduct in the course of its business or profession;
- the Bidder (or any Consortium Member) is guilty of serious misrepresentation in providing any information required of it;
- the Bidder (or any Consortium Member) is not registered on the professional or trade register of the relevant country in which it is established under conditions laid down by that country;
- the Bidder submits the Bid Price, implicitly or explicitly, in the Technical Proposal and/or the Business Plan;
- where the Bidder has failed to comply with any requirement of the Tender Document or Tender Process and/or instruction of GEPB, including where the Proposal is submitted late, is completed incorrectly or submitted and/or complemented incompletely and/or fails to meet the submission requirements which are set out in the Tender Document or are required by Applicable Law or have been notified to Bidders;
- where there is a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the Bidder (or any Consortium Member);
- the Bidder is subject to a change in its ownership structure or if organised as a Consortium the Consortium organisation is modified prior to the establishment of the joint stock company by the Preferred Bidder and the signature of the Contract;
- the Bidder fails to engage with GEPB in good faith and to act reasonably following its appointment as Preferred Bidder to establish the joint stock company and/or sign the Contract;
- the joint stock company is established by the Preferred Bidder with an ownership structure including members who were not part of the Tender Process;
- where there is a conflict of interest in respect of the Bidder (or any Consortium Member);
- where the Bidder (or any Consortium Member) has been 'blacklisted' by the Government;

- the Bidder does not fulfil anymore, and at any stage of the Tender Process, any of the requirements of the Tender Document or Applicable Law based on which they were considered eligible and qualified to submit a Proposal.

## **5 Evaluation Process and Criteria**

The Evaluation Committee may contact Bidders during the evaluation process in order to clarify aspects of the Proposal which are unclear.

Proposals will be evaluated by a three-step process as follows:

➤ **Step 1: Compliance with Eligibility Criteria**

Bidders must satisfy the Eligibility Criteria set out in Section 4.3 to be considered for evaluation for subsequent Qualification Criteria. In the event Bidders do not fulfill the Eligibility Criteria, they will not be considered for the evaluation of the compliance with the Qualification Criteria.

➤ **Step 2: Compliance with Qualification Criteria (technical and financial)**

Only those Proposals having achieved the minimum criteria required according to Section 4.4 (financial and technical Qualification Criteria) in the previous step will proceed to the financial evaluation. Below table reflects the basic approach to structure the proposed Business Plan.

The proposed Business Plan shall follow below structure:



**Structure of proposed Business Plans**

<b>BP Element</b>	<b>Subject</b>
<i>Mission and Vision</i>	General Rationale
	Role of Manager
	Implementation of new technologies
<i>Handing over and Transition Plan Outline</i>	General Rationale
	Handing over and Transition Topics and Strategies
	Time Plan / Gantt Chart
	Risks
	Specific Costs
<i>Marketing and Sales Plan</i>	Description of the market environment
	Specific market aspects for POB Terminal
	General strategy for marketing and sales
	Marketing & sales Plan for the 1st Contract Year
	Cooperation with GEPB (role model)
<i>Operative planning</i>	General Rationale
	Required Tools
	Required Personnel / Organization-Chart
	Required M&R
	IT
	Special Projects (digitalization, automation, greening, etc.)
<i>Cost Projections<sup>6</sup></i>	General Rationale
	Costs (cost projections broken down by categories), with the objective being to ensure that the cost budgets are commensurate with the operating plan.

**➤ Step 3: Financial Proposal Evaluation**

The Financial Proposals of all Bidders who qualify in Step 2 will be opened in the presence of all qualified Bidders. Financial Proposals of non-qualified Bidders shall be returned to them unopened.

The Bidder that has proposed the lowest Container Handling Fee according to Section 4.6 will be declared the Preferred Bidder, and others will be ranked in accordance with the proposed Container Handling Fee.

In case two or more Bidders propose exactly the same Container Handling Fee, they will be requested to revise their respective offer of Container Handling Fee and resubmit in sealed envelopes.

---

<sup>6</sup> This section shall not include any revenue parameters or revenue projections subject to disqualification

The GEPB will invite qualified Bidders to attend the opening of the Financial Proposals. The GEPB will publicly announce the Container Handling Fee proposed by each qualified Bidder in Step 3, but shall not publicly disclose the remaining content of the Proposals.

## 5.1 Data Room

The GEPB has set up a Data Room and provides further information upon written request to Bidders having purchased the Tender Document and signed the Confidentiality Agreement as per Annex D: Confidentiality Agreement (Template). The modalities of access to the Data Room will be communicated to the Bidders in due time. Presently, following documents are included in the Data Room located at POB premises:

- The comprehensive operating data of the POB;
- Obligations, task and responsibilities of the Manager;
- Catalogue of Equipment purchased for the Terminal in addition to the OEM recommendations and requirements;
- Maintenance records, including those undertaken by the POB (i.e. Veritas Reports and summary of recent overhaul) and those completed by the BCTC;
- POB Terminal layout;
- Engineering plans of the Terminal and Equipment;
- Port Information System Plan (e.g. CAMA);
- A copy of the financial model enabling the prospective Bidders to estimate their 15-year projected revenues under varied Bid Prices as well as varied capacity utilization rates (attached);
- BCTC's outstanding staff configuration and their corresponding remuneration;
- The details and terms of BCTC's primary maintenance contracts and key operational contracts;
- The detailed list of the stock of spare parts to be purchased by the Manager;
- List of assets to be made available by the POB to the Manager, comprising primarily the premises of the Manager, buildings and installations; the STS cranes; the RTG cranes; and, varied ancillary Equipment owned by the POB and currently being used by BCTC;
- List of Equipment to be transferred from BCTC to the Manager;
- The transshipment contracts between GEPB and shipping line companies.

The above is not a comprehensive list of all documents relevant to the Tender Process, and other documents may be reviewed at POB premises in Beirut. The GEPB may, at its discretion, also provide other information concerning the Tender Process to all qualified Bidders, as and when it feels this may assist the Bidders in preparing their Proposals and responding to such requests.

## 5.2 Site Visits

Subject to purchase of the Tender Documents by the Bidders and the execution of the Confidentiality Agreement, Bidders will be offered a Site visit of the POB Terminal at a date and time to be specified by the GEPB in due time.

## 5.3 Tender Process Schedule

- Day 1 – Deadline to purchase Tender Documents available at GEPB;
- Day 15 – Pre bid meeting – Response to Bidders’ questions<sup>7</sup>;
- Day 45 – Deadline for final questions and Site inspections;
- Day 1 through Day 45 – Site inspections, questions and due diligence;
- Day 60 – Deadline for submission of Proposals to GEPB at Beirut, Lebanon;
- Day 61 – Public declaration of the names of all Bidders;
- Day 62 to Day 82 – Evaluation of Proposals (Envelope ONE);
- Day 82- Selection, notification and public declaration of technically eligible Bidders;
- Day 93 – Public opening of the Financial Proposals (envelope TWO)/Announcement of the ‘Preferred Bidder’;
- Day 93 to Day 123 – Formalities, etc. (founding/incorporation of the company, hand-over plan, etc.);
- Day 123 – Signature of Contract;
- Day 123 to Day 153: Issuance of the Performance Bond, organization of HR (contracting of current Manager’s employees and additional staffing) and organization of handover with BCTC;
- Day 153 – Hand over of operation of BCTC and start of fifteen (15) Year Terminal management period).

The whole process is being visualized by a graph shown in Annex A: Graphic Sequence of the Process.

---

<sup>7</sup> Questions will be allowed to all Bidders. Both, questions and answers will be circulated to all Bidders without the name/identity of the Bidder having asked the question

## 5.4 Clarifications

Bidders are allowed to address Clarifications to GEPB in relation to the Tender Documents or Tender Process at any time before the Clarification Deadline by e-mail sent to the address set out below. GEPB will answer Clarifications and circulate questions and answers to all Bidders on an anonymous basis. Clarifications received following the Clarification Deadline will not be answered. Answers provided to Clarifications and circulated to Bidders will form an integral part of the Tender Document.

### **Port of Beirut:**

Mr. Hasan Kraytem  
President – Director General  
Gestion et Exploitation du Port de Beyrouth (GEPB)  
Port of Beirut  
Port of Beirut Area (Near Corniche al Nahr)  
P.O. Box: 1490  
Beirut, Lebanon.  
Telephone: 961-1-580918 or 580211  
Fax: 961 – 1 – 569511  
E-mail: [Pobctotender@gmail.com](mailto:Pobctotender@gmail.com)  
Website: [www.portdebeyrouth.com](http://www.portdebeyrouth.com)

## 5.5 Establishment of Joint Stock Company, Handover Plan, Signature of the Contract with GEPB, Return of the Bid Bonds, Issuance of the Performance Bond

Once the Preferred Bidder has been selected based on the Evaluation Committee's decision, they should incorporate within thirty (30) Days a joint stock company which shall be owned by the Bidder and the Lebanese citizen(s) and/or the Lebanese company designated by the Bidder in its Proposal in accordance with Section 4.3 of the Tender Document or in case the Bidder is organized as a Consortium by the Consortium Members and the Lebanese citizen(s) and/or the Lebanese company designated by the Consortium in its Proposal in accordance with Section 4.3 of the Tender Document, provided that 1/3 of the capital is owned by designated Lebanese citizen(s) and/or the Lebanese company which should be fully and exclusively owned by Lebanese citizens in compliance with the Applicable Law and 51% of the capital and the ability to direct the affairs of the joint stock company is owned by the Bidder or the Consortium Leader or Member who fulfills the requirements set out in Section 4.4 and holds the foregoing shareholding throughout the Contract Period.

Once the joint stock company is incorporated in accordance with the foregoing requirements, the Preferred Bidder will cause the joint stock company to sign the Contract with GEPB within the same above-mentioned thirty (30) Day period and will immediately enter into discussions with BCTC in order to agree a handover plan by virtue of which the Manager will take over from BCTC the

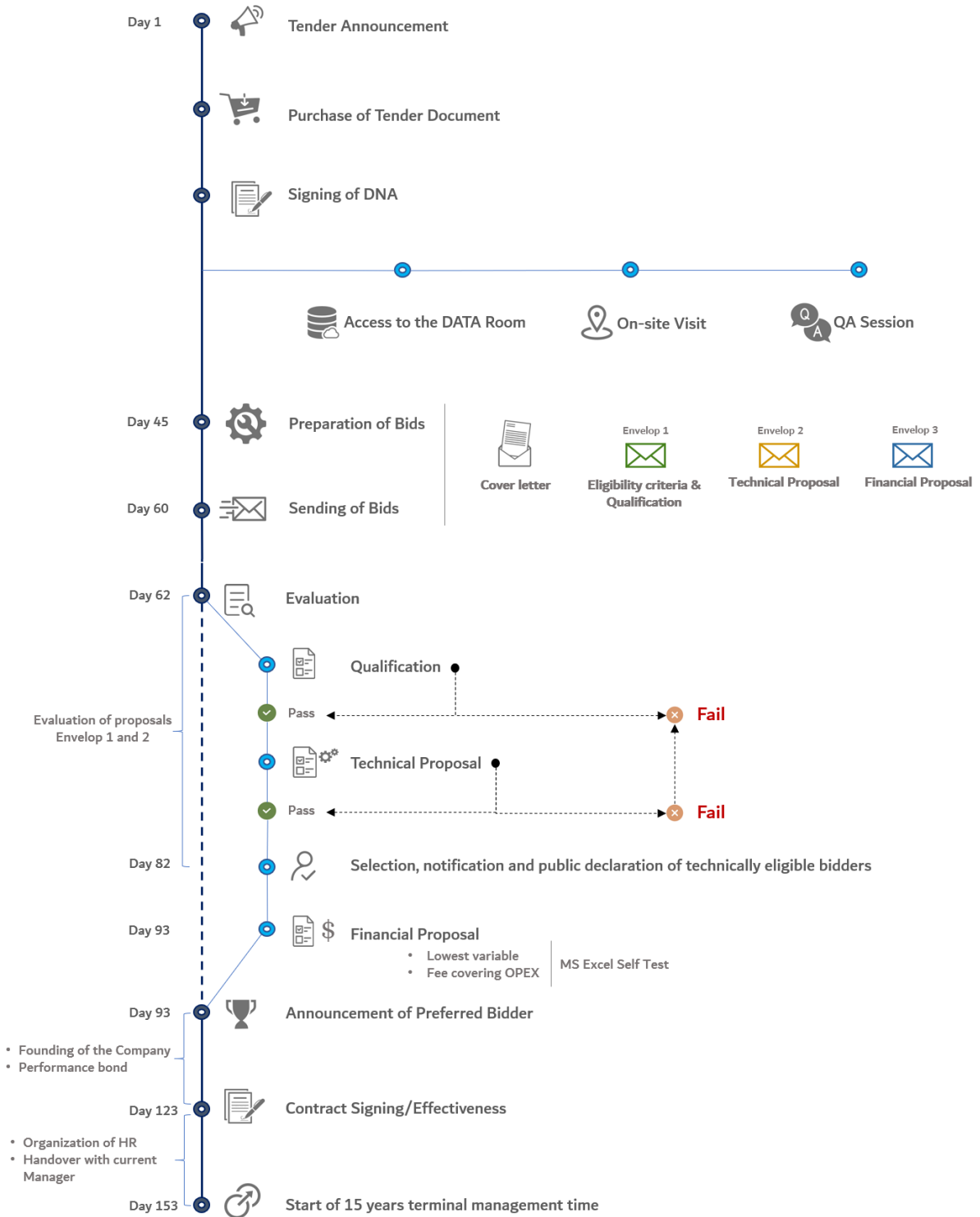
Equipment, spare parts, employees (of both BCTC and its subcontractors) and such handover plan will be appended to the Contract and become an integral part thereof.

Once the joint stock company issues the Performance Bond in accordance with the Tender Document, GEPB will hand back to the Preferred Bidder the Bid Bond submitted in its Proposal.

In the event that the Preferred Bidder fails to carry out any of the foregoing obligations, GEPB will have the right to suspend its discussions with the Preferred Bidder, call on the Bid Bond submitted thereby, and invite the second ranking Bidder having submitted the second lowest Container Handling Fee in its Financial Proposal to proceed to the incorporation of the joint stock company and signature of the Contract with GEPB.

Bid Bonds submitted by the non-successful Bidders will be returned to them upon signature of the Contract between GEPB and the joint stock company established by the Preferred Bidder.

## Annex A: Graphic Sequence of the Process



## Annex B: POB and Relevant Information

POB is located 33° 54' 26" N, 35° 31' 31" O. The port is the biggest Lebanese port and one of the main ports in the eastern Mediterranean. Located at the eastern part of the Saint George Bay and west of the Beirut River the port is an important gateway for the Middle East.

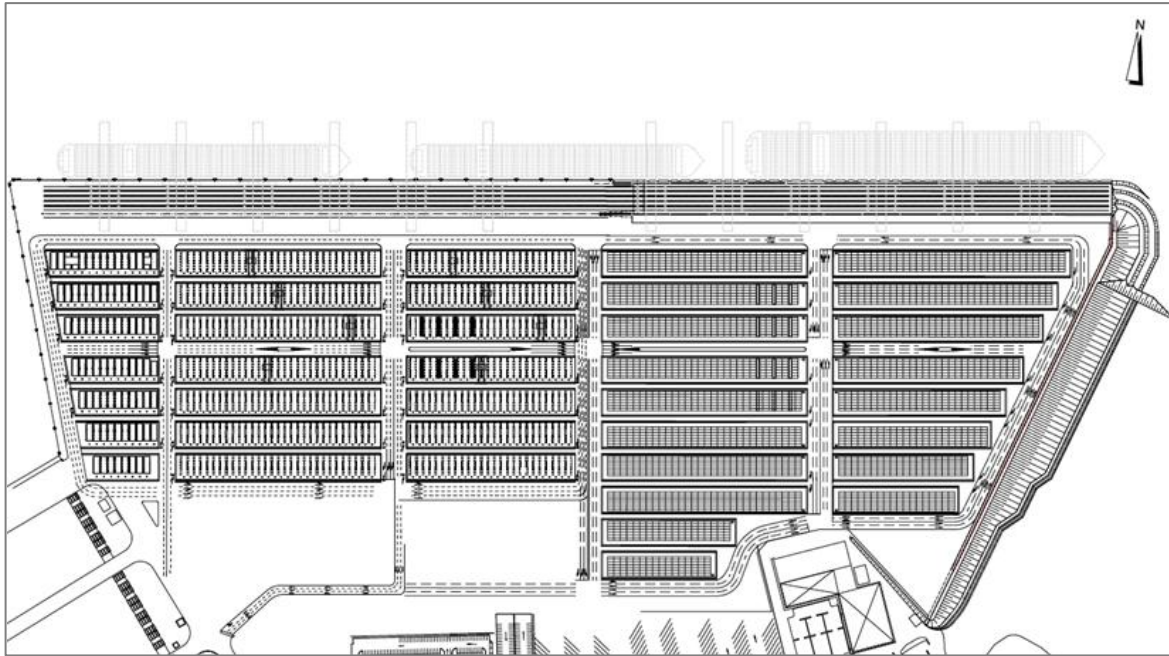
### POB Container Terminal



Source: GEPB, 2018

The Terminal in POB was developed in two phases. The first phase was completed in 2002 with reclaimed area of approximately 22 Ha and a new 600m long and 15,5 m deep Quay 16. The new terminal got protected by the new 570 m long detached breakwater. Later in 2013, the second phase of development was completed. On the new project, the Quay 16 was extended by another 500 meters towards the mouth of the Beirut River together with reclaiming 14 hectares of land and creating additional 18-hectare stacking area for containers. This has brought Quay 16 to a total strait line length of 1100 meters. The extended part of the Quay 16 now has depth of 16.5 m, however the new Quay wall design provides possibility of further deepening to 17.5 m.

## POB Container Terminal Layout



Source: GEPB, 2019

The Terminal has the following major technical characteristics:

- Estimated terminal capacity: 1'300'000 TEUs per annum
- Quay wall: Berth 16 West: 600 meters length (15,5m draft) and Berth 16 (east): 500 meters (16,5 draft) = Total Quay wall length 1100 meters
- 6 STS (60 Tons) + 2 STS (65 Tons) at Quay 16
- 8 STS at New Quay 16 East (65 Tons)
- Stacking area: 400,000 m<sup>2</sup>
- Reefer plugs: 800 points



**List of Container Handling Services Equipment**

<b>Equipment Category</b>	<b>Quantity</b>	<b>Owned by GEPB</b>	<b>Provided by BCTC</b>
STS Crane	16	16	-
STS Spreader	20	20	-
RTG Crane	51	51	-
RTG Spreader	57	57	-
Reach Stacker	14	5	9
Empty handler	12	3	9
Terminal Tractor	64	12	52
TR	4	4	-
Forklift	3	-	3
Trailer for TT	72	30	42
Trailer for TR	3	-	3
Gooseneck	4	4	-
Over height Frame	4	4	-

Source: GEPB, 2019

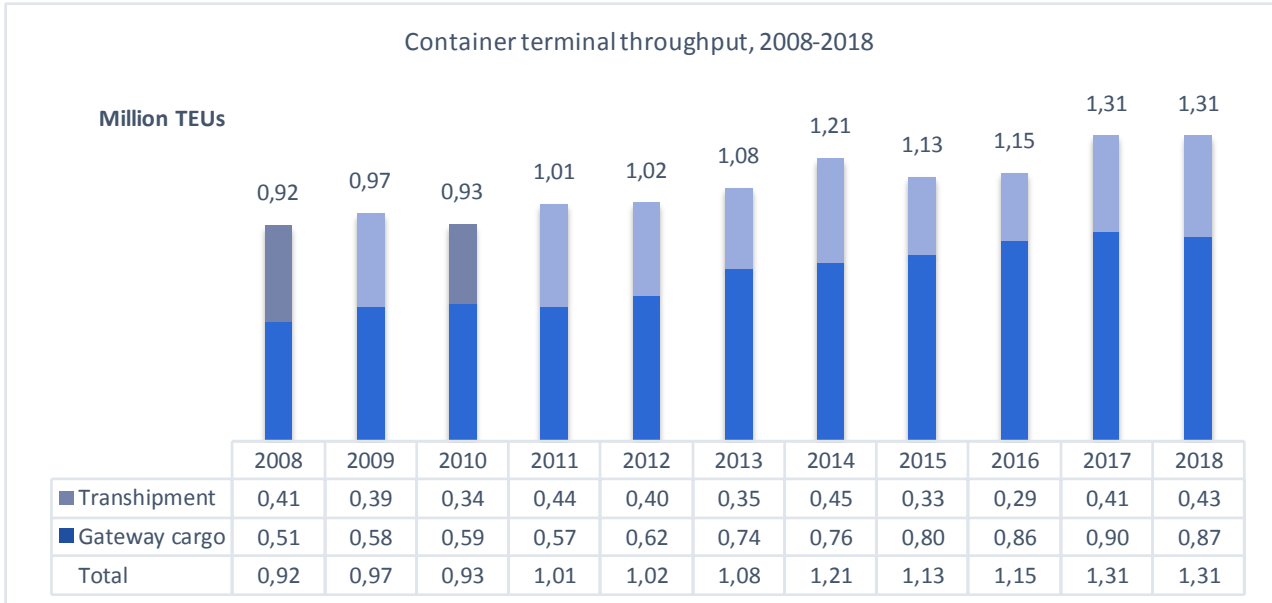
Presently, the Yard handling technology adopted on a primary storage area of the Terminal is rubber-tired gantry (RTG) cranes with size formula '7+1' wide/ '5+1' high. The Terminal provides storage service for all type of ISO Containers for dry cargo, temperature controlled/refrigerated cargo and dangerous and hazardous cargo (excl. explosive and radioactive cargo), and empty Containers.

**Past Throughput and Performance**

Over the last ten (10) Years the Terminal demonstrates sustainable growth of the throughput with the average annual rate of 3% and has reached its historical maximum of 1.3 million TEUs in the last two (2) Years in a row. It plays a vital role as a major gateway port for more than 80% of the Lebanese domestic traffic as well as significant part of the Syrian and Iraqi hinterland. It is also an important regional transshipment hub connecting POB with other ports and terminals of Northern Europe, Mediterranean and Black Sea. The share of gateway cargo and transshipment steadily oscillate around 65% and 35% respectively.

The recent events of October 2019 in Lebanon have however caused serious economic implications in terms of decreased economic activity and partial capital controls which have in turn had a significant impact on the POB's local traffic. It will thus be the responsibility of the Manager to offset these limitations and constraints notably by developing and expanding the transshipment business and the inflow of foreign currencies into the country.

### Container Terminal throughput, 2008-2018

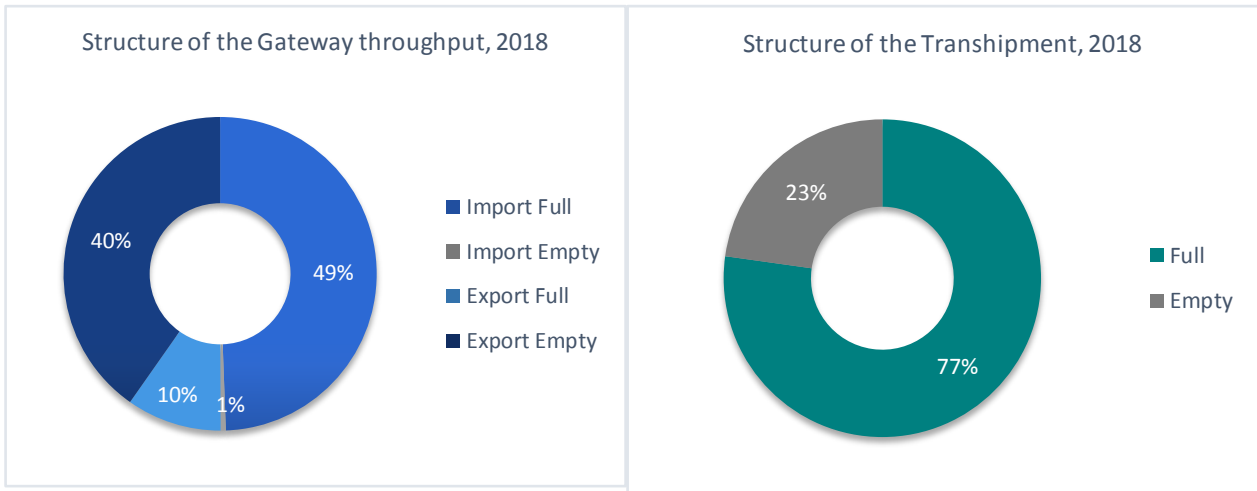


Source: GEPB, 2019

Looking at the years 2017/18, in the structure of the overall domestic containerized cargo (total 0.9 Million TEU), the full import (0.42 Million TEU) and empty export (0.34 Million TEU) Containers together constitutes around 90% of the total volumes, while the share of the full exports is only about 10%. In the structure of transshipment traffic (0.43 Million TEU in 2017/18), the three quarters formed by full Containers (0.34 Million TEU) and one quarter by empties (0.9 Million TEU).

Presently, the high operational standards applied in the organization of the work together with modern equipment and state-of-the-art IT technologies allows provision of high cargo handling rates to shipping lines. Thus, the average STS crane productivity in 2018 was 24 movements per hour.

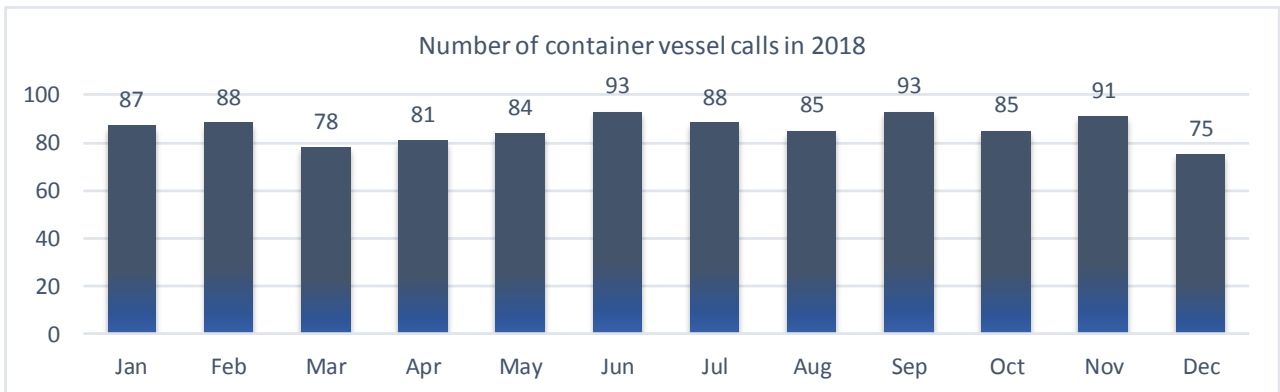
**Cargo throughput structure, 2018**



Source: GEPB, 2019

In 2018, the Terminal served more than one thousand Container ships, which is around 85-90 ships per month. Equipped with most advanced STS cranes and having depths of 15.5/16.5 meters, the Terminal can accommodate the world’s biggest Container ships of 18’000+ (TEU) carrying capacity.

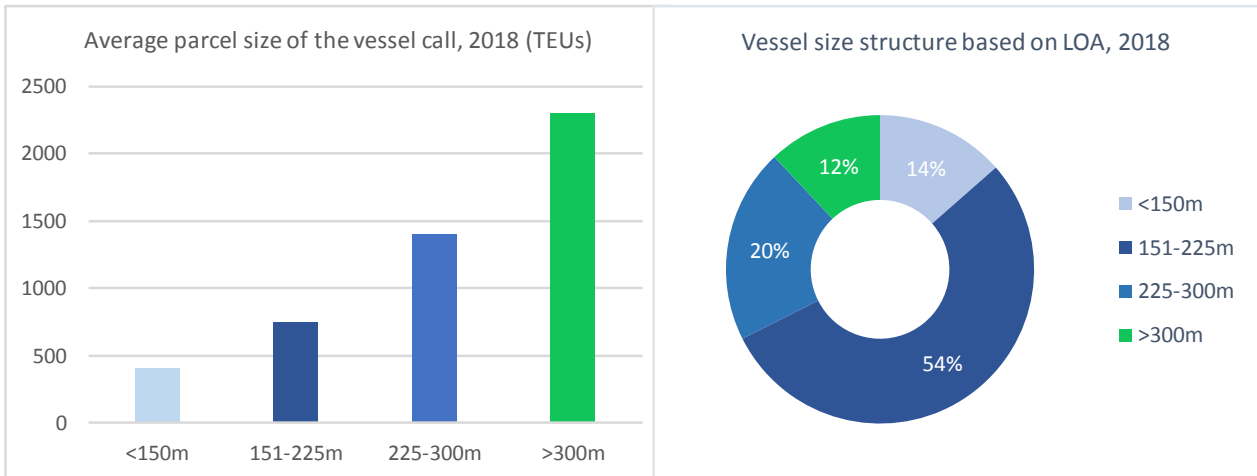
**Number of Container Vessel calls in 2018**



Source: GEPB, 2019

The share of the ultra large Container ships (ULCS) calling the Terminal today is about 10-15% (10-12 calls per months). Smaller ‘post Panamax’ class ships constitute around 20% (16-18 calls per months). The share of feeder ships makes up the majority of all ship calls and is around 65-70% (50-60 calls per months).

**Vessel size structure and parcel size, 2018**

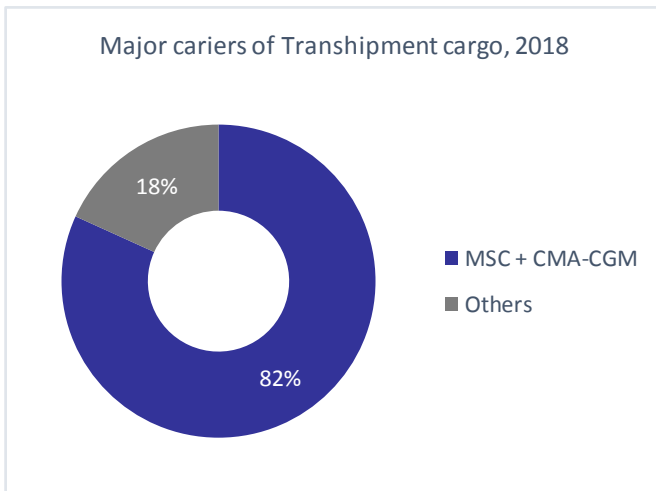


Source: GEPB, 2019

**Main Clients**

Presently, the Terminal serves more than 20 Container shipping services providing direct logistic access to the ports of Northern Europe, Far East, Mediterranean and Black sea. Two of the world's largest Container shipping companies Mediterranean Shipping Company (MSC) and CMA-CGM have selected the POB as their transshipment hub in the Mediterranean basin. These two companies are the biggest clients of the Terminal and together contribute to more than 80% of the total transshipment throughput.

**Major carriers of transshipment cargo, 2018**



Source: GEPB, 2019

**CMA-CGM**

The company has constructed a regional headquarters building near the port in the center of Beirut city. There are two major 'far east' services calling the POB ('Bosthorus express and "Mediterranean Club Express') and 6 feeder services for intra-Mediterranean and northern Europe

connections (Adriatic Med Express, Adriatic Med Express, East Med Express 1, WEMED Service 2, West Med Italy Service, Egypt Turkey Service).

MSC

The shipping line connects the POB with its main Far Eastern-West Mediterranean service (Dragon service), as well as three other intra-Mediterranean and north Europe services (Company Tyrrhenian/Turkey Line, Adriatic to South Turkey & Egypt – Line C, Adriatic to Cyprus, Lebanon & Syria – Line D).

MAERSK

The shipping line calls the POB with its ‘Far east – Mediterranean service (AE20) and one feeder service connecting Limassol and Port Said (Z21 MCL Beirut shuttle).

Port Tariff

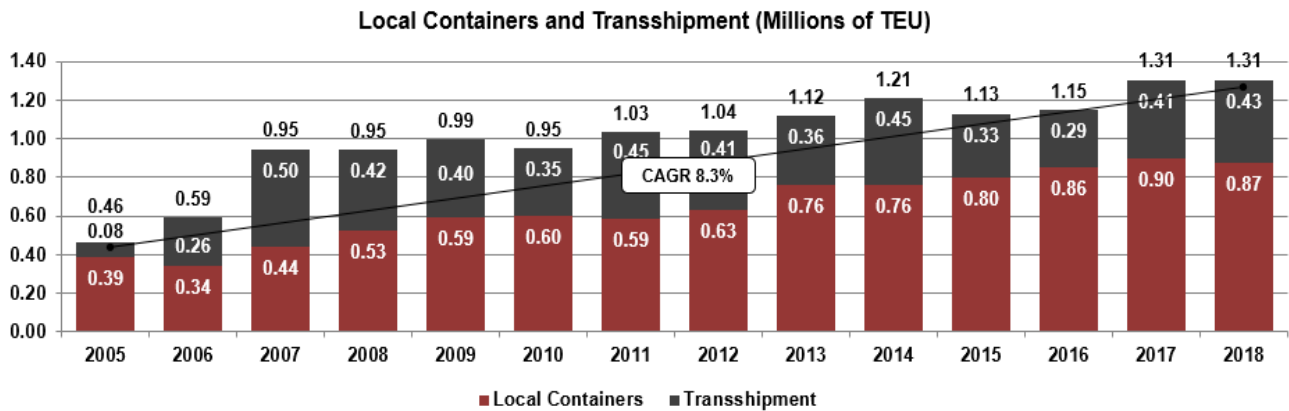
The POB tariff presently in force is set out in Annex C.

GEPB PERFORMANCE

Container Volume:

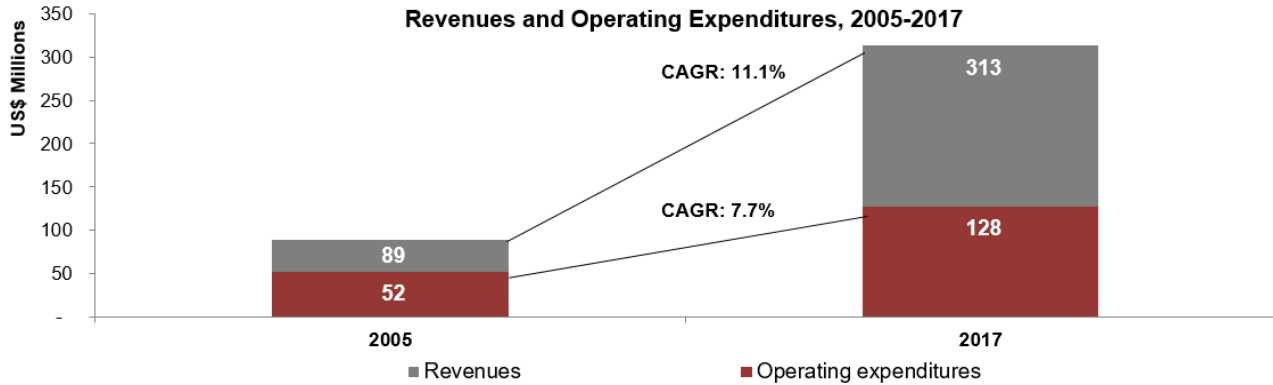
Total Container volume grew at a compound annual growth rate of 8.3% over the period extending from 2005 to 2018, namely from 465,000 TEU in 2005 to about 1,300,000 TEU in 2018. The volume of local Containers increased from 390,000 TEU in 2005 to 870,000 TEU in 2018 while the volume of transshipment increased from 80,000 TEU in 2005 to 430,000 TEU in 2018, registering a compound annual growth rate (CAGR) of 6.4% and 14.3% respectively. It is worth noting here that transshipment contributed to the growth in Container volume notably in the early years of its introduction so as to ensure a high capacity utilization ratio for the Terminal.

As in 2018, local Containers represented 67% of the total Container volume while transshipments represented the balance of 33%.



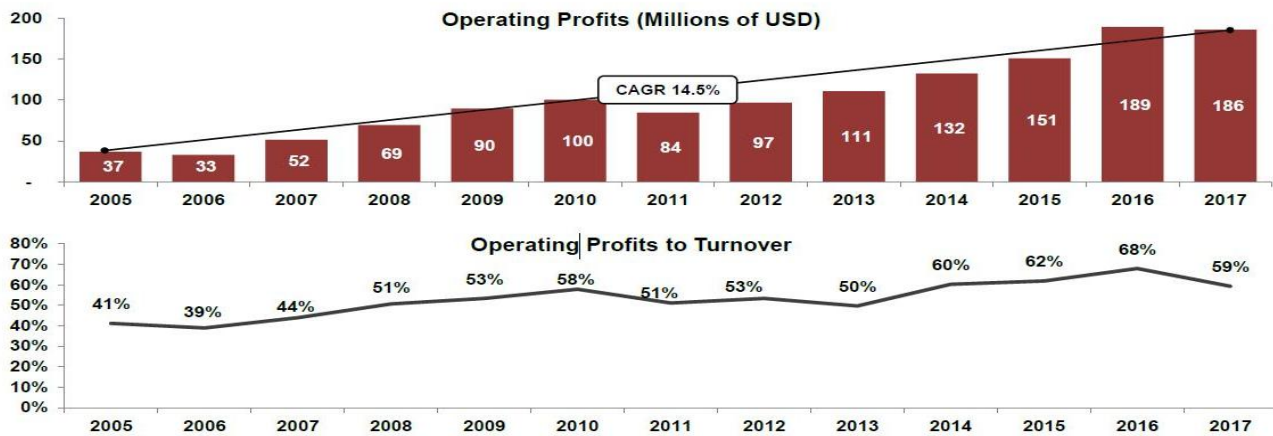
Revenues vs. operating expenditures:

The following chart highlights the difference between the CAGR of revenues and that of operating expenditures over the period under study. Revenues increased from USD89 million in 2005 to USD313 million in 2017 while operating expenditures increased from USD52 million in 2005 to USD128 million in 2017, registering a CAGR of 11.1% and 7.7% respectively. This indicates that the growth in revenues outpaced the growth in operating expenditures, thus implying higher revenue generating efficiency as well as better operating structure and higher operating efficiency.



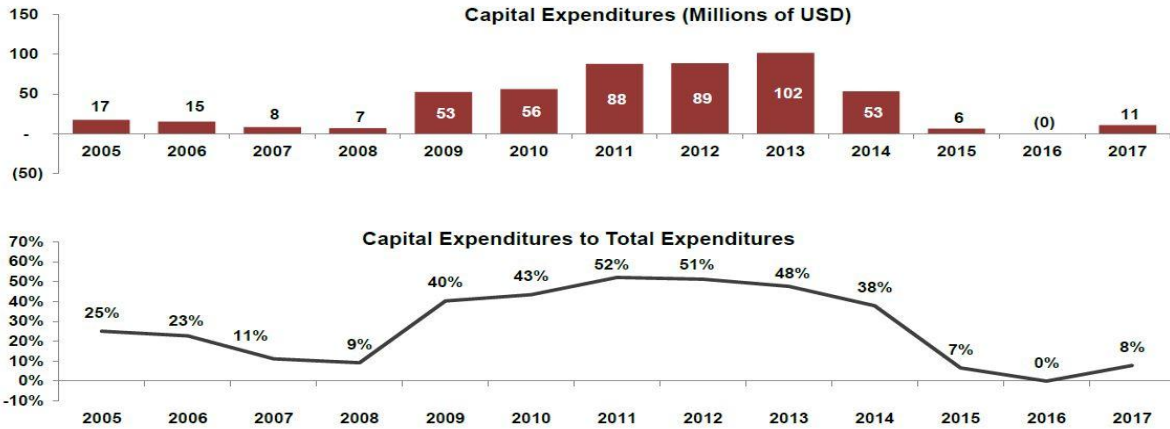
Operating profits:

Operating profits increased steadily from USD37 million in 2005 to USD186 million in 2017, registering a CAGR of 14.5%; the latter higher than the CAGR in revenues for the same period. As a percentage of revenues, operating profits stood at 59% in 2017, up from 41% in 2005. This implies a significant improvement in operating efficiency simultaneously with the growing operations and revenue.



Capital expenditures:

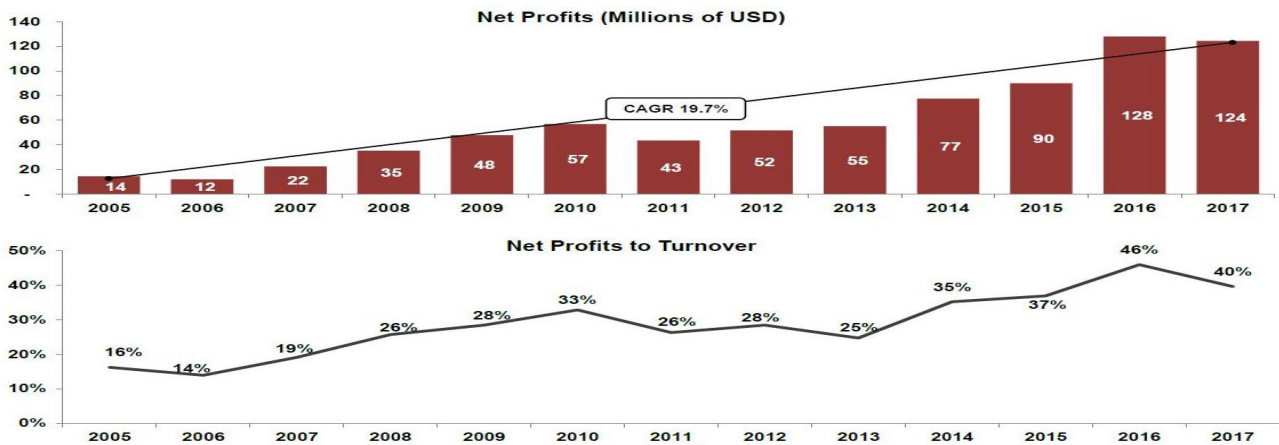
The following charts show the yearly trend of capital expenditures on development projects, in USD terms and as a percentage of total yearly expenditures. The significant increase in capital expenditures throughout the 2009-2014 period, representing a range of 38% to 52% of total expenditures, resulted from development projects aimed at growing and further expanding the Port’s capacity which in turn translated into higher revenues and profits.



Net profits:

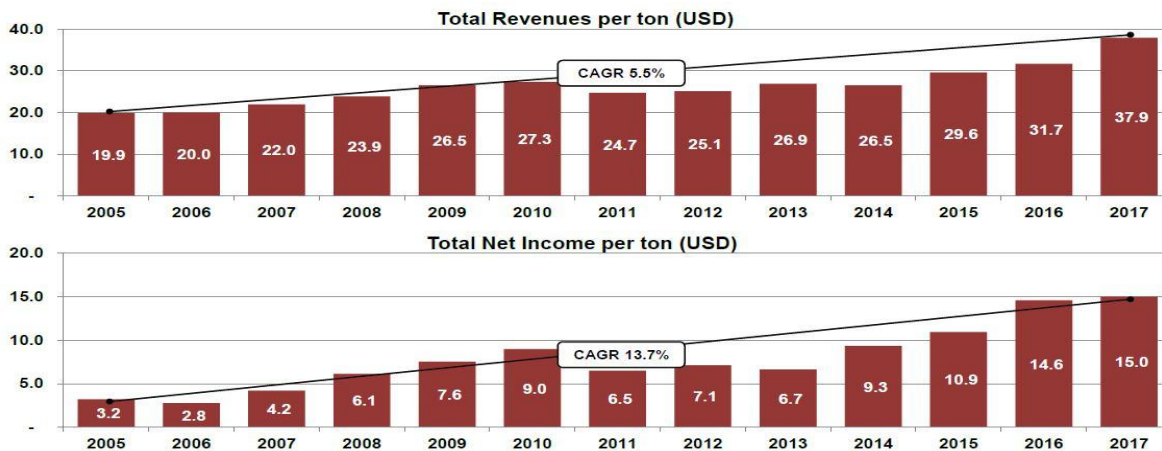
Net profits were computed as operating profits less the yearly budget for capital expenditure allowance. Net profits increased steadily from USD14 million in 2005 to USD124 million in 2017, registering a CAGR of 19.7%; the latter significantly higher than the CAGR in revenues for the same period. On the other hand, net profitability as a percentage of total revenues increased from 16% in 2005 to 40% in 2017. This corroborates the improved operating structure and efficiency in addition to the higher operating volume and improved revenue efficiency.

It is important to note here that the decline in net profits over the 2011-2013 period is not concerning as it is explained by the Port’s significant increase in capital expenditures. In the case of private companies, capital expenditures would usually be initially capitalized then depreciated over a period of time rather than expensed fully when incurred, which would smooth the trend in net profits.



Revenues and profitability per ton:

The following charts show POB’s total revenues and total net income per ton. Revenues per ton increased from USD19.9 in 2005 to USD37.9 in 2017. Moreover, net income per ton has significantly increased from USD3.2 in 2005 to USD15 in 2017. This is also explained by the growth in activity over the period under study as well as the improved operating efficiency ratios covered above.





## **Annex C: Tariffs Applicable for Container Operations**

The actual port tariff book can be found on the official web-page of the Beirut port under the following link: <http://www.portdebeyrouth.com/index.php/en/tariffs/port-tariffs>

## **Annex D: Confidentiality Agreement (Template)**

This confidentiality Agreement (“Agreement”) is made effective as of (insert date), between Gestion et Exploitation du Port de Beyrouth (the “GEPB”), and (insert your Company name, and full address) (the “TO”) (including the affiliates, partners, subsidiaries, parent entities, related entities and agents, if any, of both parties).

WHEREAS, GEPB is engaged in the Construction and Development of a multi-Berth container terminal at the Port of Beirut in Beirut, Lebanon, also referred to in this document as the “Project” and TO is interested in the operation and management of and investment in the Project.

WHEREAS, GEPB will provide technical and economic information concerning the Project and TO will provide information and Technical and Financial Proposals to allow GEPB to determine if TO is the appropriate business partner for GEPB in this Project.

WHEREAS, GEPB has requested that TO will protect the confidential material and information which may be disclosed between GEPB and TO.

NOW, THEREFORE, the parties agree as follow:

### **CONFIDENTIAL INFORMATION**

The term “Confidential Information” means any information or material, which is proprietary to GEPB, whether or not owned or developed by GEPB, which is not generally known other than by GEPB, and which TO may obtain through any direct or indirect contact with GEPB.

Confidential Information includes without limitation:

- business records and plans;
- financial statements;
- customer lists and records;
- trade secrets;
- technical information;
- products;
- inventions;
- pricing structure;
- discounts;
- costs;
- computer programs and listings;
- source code and/or object code;
- copyrights and other intellectual property;
- economic, financial, environmental, engineering, other studies and other proprietary information.

Confidential Information does not include:

- Matters of public Knowledge that results from disclosure by POB, and any other information that both parties agree in writing is not confidential.

#### PROTECTION OF CONFIDENTIAL INFORMATION

To understands and acknowledges that the Confidential Information has been developed or obtained by GEPB by the investment of significant time, effort and expense, and that the confidential Information is a valuable, special and unique asset of GEPB which provides GEPB with a significant competitive advantage, and needs to be protected from improper disclosure. In consideration for the disclosure of the Confidential Information, TO agree to hold in confidence and to not disclose the Confidential Information to any person or entity without the prior written consent of GEPB. In addition, TO agrees that:

No Copying/Modifying. TO will not copy or modify any Confidential Information without the prior written consent of GEPB.

Application to Employees. Further, TO shall not disclose any Confidential Information to any employees of TO, except those employees who are required to have the Confidential Information in order to perform their job duties in connection with the limited purposes of this Agreement. Each permitted employee to whom Confidential Information is disclosed shall sign a non-disclosure agreement in substantially the same form as this Agreement at the request of GEPB.

Unauthorized to Employees, of Information. If it appears that TO has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, GEPB shall be entitled to an injunction to restrain TO from disclosing, in whole or in part, the Confidential Information. GEPB shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

#### EXCEPTIONS TO CONFIDENTIALITY

The confidentiality obligation hereunder shall not apply to any Confidential Information that (i) is known to MANAGER at the time of disclosure by GEPB, (ii) is or becomes generally known to the public, or (iii) is required to be disclosed by any governmental or regulatory authority requiring such disclosure under mandatory provisions of law, provided that: (i) the TO notifies the governmental or regulatory authority that the materials and information are Confidential treatment; (ii) the TO, at the time of disclosure or submission of such materials and information to the governmental or regulatory authority, request such confidential treatment of such materials and information as may be available under applicable law or regulations; and (iii) prior to such disclosure, provided it is not in violation of any governmental or regulatory requirement, or law, the TO shall use its best efforts to ensure that GEPB is given prompt notice of the required disclosure so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure.

#### USE OF CONFIDENTIAL INFORMATION

The TO agrees that it will not make use of any Confidential Information received from GEPB without the express prior written consent of GEPB, otherwise than as directly contemplated herein.

#### RETURN OF CONFIDENTIAL INFORMATION

Upon the written request of GEPB, TO shall return to GEPB all written materials containing the Confidential Information retaining any copy thereof, destroy all notes and work papers relating to the Project in his possession and purge all information relating to the project in computer system. TO shall deliver to GEPB written statements signed by TO certifying that all materials have been returned, and other records destroyed and/or purged within five (5) days of receipt of the request.

#### RELATIONSHIP OF PARTIES

Neither party has an obligation under this Agreement to purchase any service or item from the other party, or commercially offer any products using or incorporation the Confidential Information. This Agreement does not create any agency, partnership, or joint venture. Any and all expenses incurred by either party for the research, investigation, preparation, analysis and presentation of information, data, materials and Proposals will be for its own account, and neither party shall have any right of reimbursement for the other party unless the parties have otherwise agreed in writing.

#### NO WARRANTY

To acknowledges and agrees that the Confidential Information is provided on an AS IS basis. GEPB MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONFIDENTIAL INFORMATION AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GEPB BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL OR USE OF ANY PORTION OF THE CONFIDENTIAL INFORMATION. GEPB does not represent or warrant that any product or Business Plan disclosed to the MANAGER will be marketed or carried out as disclosed, or at all. Any actions taken by TO in response to the disclosure of the Confidential Information shall be solely at the risk of TO.

#### LIMITED LICENSE TO USE

TO shall not acquire any intellectual property rights under this Agreement except the limited right to use set out above. TO acknowledges that, as between GEPB and TO, the Confidential Information and all related copyrights and other intellectual property rights, are (and at all times will be) the property of GEPB, even if suggestions, comments, and/or ideas made by TO are incorporate into the Confidential Information or related materials during the period of this Agreements.

#### GENERAL PROVISIONS

This Agreement sets forth the entire understanding of the parties regarding confidentiality. Any amendments must be in writing and signed by both parties. This Agreement shall be construed under the laws of Lebanon. This Agreement shall not be assignable by either party, and neither party may delegate its duties under this Agreement, without the prior written consent of the other party. The confidentiality provisions of this Agreement shall remain in full force and effect after the effective date of this Agreement.

Gestion et Exploitation du Port de Beyrouth (GEPB)

Port of Beirut

By: \_\_\_\_\_

Mr. Hassan Kraytem

President – Director General

Date:

By: \_\_\_\_\_

President

Date:

## **Annex E: Bid Bond (Template)**

To: Gestion et Exploitation du port de Beyrouth (GEPB)

Re: Guarantee for commitment to maintain the terms of the bid until the execution of a Contract between GEBP and the Preferred Bidder for the management, operation and maintenance of the port of Beirut Terminal and the issuance of a Performance Bond by the MANAGER in accordance with the Contract (Tender #\_\_\_\_\_).

Whereas (name of bidder) has submitted on the \_\_\_\_\_ of \_\_\_\_\_2019 a bid for the abovementioned tender.

Whereas the tender documents require the submission of a Bank Guarantee for the sum of USD1,000,000 (One million United States Dollars) as commitment to maintain the terms of the offer until the signing of the Contract with the winning MANAGER and the issuance of a Performance Bond by the MANAGER in accordance with the Contract or June 30, 2020, whichever comes first.

We (name of the Bank) (hereinafter referred to as the Bank), (address), hereby unconditionally and irrevocably undertake to pay to GEPB the abovementioned amount of USD1,000,000 (One million United States Dollars), if (name of bidder) withdraws his bid before the signing of the contract with the winning MANAGER and issuance by the MANAGER of the Performance Bond in accordance with the Contract terms, under the tender, whose reference is mentioned here above, upon the first written request from GEPB and without GEPB having to justify this request provided it is presented to the Bank during the period of validity and mentions that the payment is requested because of the non-conformity of the bidder to the abovementioned tender condition.

This Guarantee enters into effect on the date mentioned here below and shall remain in full force and effect until the signing of the Contract with the winning MANAGER and issuance by the MANAGER of the Performance Bond in accordance with the Contract terms, but in no case beyond the June 30, 2020.

Date: \_\_\_\_\_

Signature of Bank:

## **Annex F: Letter of Performance Bond (Template)**

### LETTER OF PERFORMANCE BOND

Date: date of signing the contract between MANAGER and GEPB

Messers Gestion et Exploitation du Port de Beyrouth, Beirut – LEBANON

We refer to the Contract for the management, operations and maintenance of the Container Terminal at the Port of Beirut made between \_\_\_\_\_ (Hereinafter referred to as the MANAGER).

And

Gestion et Exploitation du Port de Beyrouth

\_\_\_\_\_ (Hereinafter referred to as Employer) regarding management, operations and maintenance of the container terminal at the Port of Beirut, Beirut – LEBANON.

Whereas it has been stipulated by you in the said Contract that the MANAGER shall furnish you with a Bank Guarantee issued by a recognized bank for the sum specified therein as security for compliance with this obligation in accordance with the Contract;

And whereas we have agreed to give the MANAGER such a Bank Guarantee;

We hereby unconditionally and irrevocably agree to pay you, on your first written demand complying with the terms of paragraph 2 below as per your instructions, such amount or amounts as you shall demand from time to time, up to a maximum amount of USD5,000,000 (Five million United States Dollars) (the Guaranteed Amount),

Any demand for payment by you shall:

1. Be by letter;
2. Refer to the number and date of this letter of Guarantee;
3. State the amount for which payment is demanded.

This first demand letter of Guarantee constitutes an unconditional and irrevocable direct obligation of this Bank which is separate and independent of the Contract, including the MANAGER's Obligations under the Contract. Notwithstanding any alteration or change of the Contract, or the early termination of the Contract, or in the extent or nature of the obligations of the MANAGER or of the financial condition or otherwise of the MANAGER (including, without limitation bankruptcy or liquidation), none of which shall constitute notation, and notwithstanding any contestation or objection or the commencement of any legal or other proceedings brought by any person or entity whatsoever (including the MANAGER) to prevent, delay or in any hamper or stop payment of any

amount you may demand payment of from time to time in accordance with the terms hereof, and notwithstanding any other circumstance which might hinder prompt enforcement of this letter of Guarantee, and without any of the above events, circumstances or provisions justifying any delay in the performance of our obligations or constituting an exoneration, discharge or any release thereof.

The Guaranteed Amount shall be reduced by the amount of any payment made by us hereunder. Any such payment shall be paid free and clear of, and without deduction for or on account of, any present or future taxes, levies, duties charges, fees, commissions, deductions, or withholding of any nature whatsoever and by whomsoever imposed, all of which shall be for the MANAGER's account.

The letter of Guarantee shall remain valid and enforceable until fifteen (15) Years and six (6) Months from the date hereof and shall be automatically extended or renewed, until you release us from our obligations hereunder.

We will honor all demands for payment up to the guaranteed amount, from the date hereof to the date this letter of guarantee expires according to its terms.

This letter of Guarantee shall be governed by and construed in accordance with the laws of Republic of Lebanon.



## **Annex G: Financial Proposal Evaluation Approach**

**Key inputs**

*USD unless otherwise specified*

**Assumptions on container terminal (CT) capacity**

	Total capacity, TEU	CT capacity utilization, %	CT capacity utilization, TEU
Year 1	1,400,000	92.5%	1,295,000
Year 2	1,400,000	95.0%	1,330,000
Year 3	1,400,000	97.0%	1,358,000
Year 4	1,400,000	98.0%	1,372,000
Year 5	1,400,000	98.0%	1,372,000
Year 6	1,400,000	98.0%	1,372,000
Year 7	1,400,000	98.0%	1,372,000
Year 8	1,400,000	98.0%	1,372,000
Year 9	1,400,000	98.0%	1,372,000
Year 10	1,400,000	98.0%	1,372,000
Year 11	1,400,000	98.0%	1,372,000
Year 12	1,400,000	98.0%	1,372,000
Year 13	1,400,000	98.0%	1,372,000
Year 14	1,400,000	98.0%	1,372,000
Year 15	1,400,000	98.0%	1,372,000

**Assumptions on breakdown of utilized capacity**

	Share of local (imp., exp., trans.)	Share of transshipment
Year 1	64.0%	36.0%
Year 2	64.0%	36.0%
Year 3	65.0%	35.0%
Year 4	66.0%	34.0%
Year 5	67.5%	32.5%
Year 6	68.0%	32.0%
Year 7	70.0%	30.0%
Year 8	72.0%	28.0%
Year 9	73.0%	27.0%
Year 10	74.0%	26.0%
Year 11	74.0%	26.0%
Year 12	74.0%	26.0%
Year 13	74.0%	26.0%
Year 14	74.0%	26.0%
Year 15	74.0%	26.0%

**Assumptions on fixed and variable fees**

Fixed fee	12,000,000
<b>Container handling fees</b>	<b>Fee</b>
Handling fees for local containers	-
<i>Discount applicable on transshipment handling fees ( fixed discount )</i>	25.0%
Corresponding handling fees for transshipment	-

**Key outputs**

*USD unless otherwise specified*

**Projected gross CTO revenues**

	Fixed fee	Revenues from container operations	Gross CTO revenues
Year 1	12,000,000	-	<b>12,000,000</b>
Year 2	12,000,000	-	<b>12,000,000</b>
Year 3	12,000,000	-	<b>12,000,000</b>
Year 4	12,000,000	-	<b>12,000,000</b>
Year 5	12,000,000	-	<b>12,000,000</b>
Year 6	12,600,000	-	<b>12,600,000</b>
Year 7	12,600,000	-	<b>12,600,000</b>
Year 8	12,600,000	-	<b>12,600,000</b>
Year 9	12,600,000	-	<b>12,600,000</b>
Year 10	12,600,000	-	<b>12,600,000</b>
Year 11	13,230,000	-	<b>13,230,000</b>
Year 12	13,230,000	-	<b>13,230,000</b>
Year 13	13,230,000	-	<b>13,230,000</b>
Year 14	13,230,000	-	<b>13,230,000</b>
Year 15	13,230,000	-	<b>13,230,000</b>

## Annex H: Definition and Interpretation of Terms

Table H-1 – List of Abbreviations and Corresponding Terms

ABBREVIATION	TERM
BCTC	Beirut Container Terminal Company (The Current Operator)
GEPB	<i>Gestion et Exploitation du Port de Beyrouth</i> (in Fr)
ISPS	International Ship and Port Facility Security Code
M	Meter
MOT	Ministry of Public Works and Transportation, Lebanon
OEM	Original Equipment Manufacturer
PCS	Port Community System
POB	Port of Beirut
RTG	Rubber Tired Gantry
STS	Ship To Shore Gantry
TEU	Twenty – Foot Equivalent Unit as per the international measure of Containers
TOS	Terminal Operating System
TTU	Truck Trailer Unit
USD	United States Dollars

Table H-2 – Glossary of Terms

<b>TERM</b>	<b>EXPLANATION &amp; Interpretation in the context of the Tender</b>
Average Truck Turn-Around Time	The average time period a truck spends within the Terminal from the moment it arrives at the interchange facility to the moment it exits the interchange facility.
Berth	A place in which a vessel is moored or secured; place alongside a Quay where a ship loads or discharges cargo.
Bidder	Entity which has purchased the Tender Document in order to submit a Proposal in response thereto.
Breakbulk	Cargo that is handled physically, on pallets or with forklifts, but is not containerized.
Breakbulk Facilities	All existing Quays and facilities at the POB excluding the Terminal and including any future expansions of such Quays and facilities.
Business Plan	Document to be submitted by the Bidder as defined in Section 4.5.4.
Flat Rack Truck	A frame with wheels and Container locking devices to secure the Container for movement.
Common User Terminal	Terminal that provides equal and fair access and services to any and all shipping lines, carriers, and port users.
Container	A metal box for shipping cargo.
Container Handling Fee	A component of the Remuneration to be proposed by the Bidders in their Proposals as set out in Section 4.6.2.
Container Handling Services	Container movement operations including but not limited to:
	<ul style="list-style-type: none"> <li>a) Emptying or shipping empty or full Containers from or to ship;</li> <li>b) Moving full or empty Containers from dock to Yard or vice versa;</li> <li>c) Unloading or loading (incl stowage and sorting) empty or full Containers;</li> <li>d) Moving full or empty Containers from inside ship to Yard and vice versa;</li> <li>e) Loading and unloading Containers from or to cargo owner;</li> <li>f) Operation of sending a Container to the scales and returning to Yard;</li> <li>g) Emptying or Containers in Warehouses (consolidation);</li> <li>h) Customs' inspection operation including an additional seal;</li> <li>i) Moving full or empty Containers to or from ships with Manager's Yard Equipment;</li> <li>j) Loading or unloading Containers to/from ship with RTG cranes.</li> </ul>
Contract	Agreement between the POB and the Manager for the provision of services as specified in the Tender Document.
Contract Period or Duration of Contract	Period of fifteen (15) Years starting at the commencement date unless the Contract is terminated earlier for legitimate reasons.

<b>TERM</b>	<b>EXPLANATION &amp; Interpretation in the context of the Tender</b>
Consortium	Association of two or more business entities in order to submit a Proposal in response to the Tender Document.
Customs	Government office where duties are paid, documents filed, etc., on foreign shipments.
Data Room	As defined in Section 5.1.
Day, Year, and Month	According to the Gregorian calendar.
Eligibility Criteria	Criteria set out in Section 4.3 and required to be fulfilled by Bidders to be considered for the following stage of the Tender Process.
Evaluation Committee	Committee whose members have no conflict of interest in relation to the Tender Process, appointed by the GEPB to evaluate all Proposals submitted in response to the Tender Document.
Fixed Fee	A component of the Remuneration amounting to USD12 Million (Twelve million United States Dollars) as set out in Section 4.6.1.
Force Majeure	Force Majeure Event: any event or circumstance beyond the control of or not reasonably foreseen by the Manager; or any event or circumstance that cannot be prevented by the Manager or GEPB, such as, but not limited to war, military operations, earthquakes, volcanoes, riots, strikes not restricted to the container terminal.
Freight Forwarder	Person or company that arranges for the carriage of goods and associated formalities on behalf of a shipper. The duties of a forwarder include booking space on a ship, providing all the necessary documentation and arranging Customs clearance.
Gates	Interchange facility of the Terminal.
Government	Government of Lebanon.
Harbormaster	An officer of the Ministry of Public Works and Transportation who attends to berthing ships in a harbor.
Infrastructure	Roads, railroads, ship channels and utilities.
Manager	The Preferred Bidder who signs the Contract to manage, operate and maintain the Terminal of the POB.
Panamax	Maximum-size bulk carriers whose dimensions enable to ship to transit the Panama Canal when lock width is the limiting factor.
Preferred Bidder	The Bidder designated by the GEPB as preferred Bidder based on the evaluation of Proposals by the Evaluation Committee to sign the Contract to manage, operate and maintain the Terminal of the POB.

<b>TERM</b>	<b>EXPLANATION &amp; Interpretation in the context of the Tender</b>
Privatization	Contracting a public entity to a private enterprise.
Proposals	Financial and Technical Proposals.
Qualification Criteria	Criteria set out in Section 4.4 and required to be fulfilled by Bidders to be considered for the following stage of the Tender Process.
Quay	A structure in water where ships are berthed.
Reefer	Refrigerated Container.
Reach Stacker	Fork lift or similar equipment that stacks Containers in the Yard.
Remuneration	Remuneration of the Manager comprised of (1) the Fixed Fee, and (2) the Container Handling Fee as set out in Section 4.6.
Rubber Tired Gantry Crane or RTG crane	A crane or hoisting machine moored on a frame or structure spanning an intervening space, and designed for handling of Containers on site of the terminal and serving road tracks and chassis.
Ship To Shore Crane or STS crane	A rail mounted crane on quay utilized in the loading and unloading of Containers.
Site	Place(s) at the Port of Beirut where the Equipment is to be operated and maintained and such other area as GEPB may make available to the Manager to ensure convenient management and Container Handling.
Spreader	Device mounted on RTG or STS cranes used to lift Containers.
Technical Proposal	As defined in Section 4.5.
Terminal	Container terminal at POB as set out in Annex B.
Tons	Metric tons.
Transaction	Entering into the Contract with the Preferred Bidder.
Transition Period	The period of time which is twelve (12) months from the date the conditions precedent specified in the Contract are fulfilled.
Warehouse	Place for the reception, delivery, consolidation, distribution, and storage of goods and cargo.
Yard	Area for storing Containers.

**Annex I: Contract for Management, Operation and Maintenance of the Container Terminal at Beirut Port**