**Letter sent on October 17th, 2010,**
**to the**

**Micro economy Department/Major Projects Secretariat,**
**Ministry of Finance**
**Building No. 5 Room 05, Palacio do Governo, Dili, Timor Leste**

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Dear Sirs,

we take note of your RFP dated September 20th, reference ICB No.: 006/MoF/IX/2010, relative to "*Consultancy Services for Preliminary and Detailed Design for the Construction of the Proposed Multi-Purpose Seaport at Suai*".

You might know that we have been very actively designing various port options for the bay of Suai in the last three years.

Nevertheless, we are not going to quote on this RFP for several reasons.

## 1. Size of the project

The RFP defines the proposed port as offering facilities not limited to:

A. 4 berths for ships up to 50,000 tons dead weight (DWT)
B. 4 berths for container ships up to 60,000 tons DWT
C. Various berths for roll-on/roll-off (Ro-Ro), fishing, passenger and naval ships

Although we understand the need at Suai for berthing some of the ships in the C category and also oil and gas offshore units, assuming reasonable ship size, we believe there has been an over-rating of the size of the first two categories. For reference, see the pictures at the bottom of this message of a ship similar to the largest units currently calling at Dili. Selected pictures of 60,000 tons DWT container ships and a 50,000 tons DWT class multi-purpose bulk carrier are also shown. These ships are typically close to 300 meters long for a breadth exceeding 30 meters and a draft of up to 13 meters and, in our view, are completely out of proportion with the reality of the shipping industry in the country, today or in

the foreseeable future. For reference, the largest ships currently calling at Dili are about 100 meters long and 17 meters wide with a draft of 5 meters and a dead weight of about 4,000 T DWT.

Not only would the proposed port be very large, exceeding by its surface area Australia's largest port, it would also be extremely expensive to build, probably costing in the end between one and two billion dollars and incurring maintenance and operational costs in the 30 to 50 million dollars range every year. You can see below a satellite view of the Port of Melbourne, which incidentally does not require any breakwater, being built up a river.

There is to our knowledge no reasonable market for such a port which would be by far the largest in the extended region.

At any rate, the bay of Suai would be quite cramped as a result of building such a large facility and it is questionable whether the reef would offer any real protection at all to the largely protruding breakwater. It seems that, should the very large port project actually go ahead, another site should be selected for it so as not to destroy the real sheltering potential presently provided by the reef for a smaller port not requiring any breakwater by virtue of the reef.

## 2. Eligibility and requisites

We read that the experience required from the large number of experts demanded by the RFP is 15 years for some, 20 and 30 for others and finally 40 years for the peer-reviewer. We are perplexed by such wide-ranging figures and don't see the rationale for the fluctuations. In addition, we don't think it reasonable or necessary to demand 40 years of experience for any position in particular.

We find particularly restrictive the financial hurdle of having "*undertaken similar consultancy task for new port development projects as lead consultant for port planning, design and implementation, of which at least total worth of 3 projects not less than USD $100 million have been successfully implemented during the last 10 years*". The development of ports of the magnitude described in the RFP is an extremely rare occurrence and its cost would anyway far exceed the budget experience mentioned here.

We think that the very steep requisites could hardly suit the experience of the few leading international firms in the industry, making the accessibility of the consultation conjectural for smaller and less expensive organizations, with no less real, or necessary, expertise.

## 3. Alternative option

A facility handling traffic for part of the above C category plus oil and gas offshore traffic will have to take into account the wide tidal variations in Suai (up to 3.2 meters), critical to the operation of smaller ships, making the design we have proposed quite adapted while rendering the breakwater and other heavy infrastructure superfluous. Such a facility would cost a mere fraction of the very large port described in the RFP and would take a much shorter time to build. Our design takes into consideration the relatively poor soil resistance of Suai Bay bottom. The land surface area considered in our concept is 12 hectares, which can be compared for reference to the surface areas of Dili Port (4 hectares), Port of Melbourne (180 hectares) and the Suai facility envisioned in the RFP (260 hectares).

Best regards,

Marc Moszkowski

## PICTURES OF A SHIP SIMILAR TO OR SLIGHTLY LARGER THAN THE LARGEST CURRENTLY CALLING AT DILI (ABOUT 4,000 TONS DWT)




## PICTURES OF A CONTAINER CARRIER OF THE 60,000 T DWT CLASS AS DEMANDED BY THE SPECIFICATION OF THE RFP, FOR WHICH 4 BERTHS ARE REQUIRED

**PICTURE OF A MULTI-PURPOSE BULK CARRIER OF THE 50,000 T DWT CLASS AS DEMANDED BY THE SPECIFICATION OF THE RFP, FOR WHICH 4 BERTHS ARE REQUIRED IN ADDITION TO THE FOUR 60,000 T DWT BERTHS**

**VIEW OF THE 180 HECTARE PORT OF MELBOURNE. THE ENVISIONED SUAI FACILITY HAS A SURFACE AREA OF 260 HECTARES. PORT OF MELBOURNE DOES NOT REQUIRE ANY BREAKWATER.**