

**REQUEST FOR INFORMATION (RFI)
COMPETITIVE DYNAMIC SIMULATIONS (WAR GAMING)**

The response to this request is only for the purpose of knowing your interest in participating, under the terms and conditions established by the Panama Canal Authority (ACP) and within the estimated budget, in the contracting process of a competitive dynamic simulation (war gaming) for the Panama Canal.

This request does not constitute an award commitment, nor should it be construed as evidence of intent to award a contract later. The ACP shall not refund the cost of providing the requested information. Failure to respond to this request for information does not prevent participation in any other request for information or purchase requisition if one is issued.

Please send your proposal no later than August 13, 2021, to the following points of contact of the Insurance, Risk and Controls Unit (FI-S):

Orlando Torres - OrlandoTorres@pancanal.com
Jessica Adams - jjadams@pancanal.com

1. BACKGROUND - Experience of the Panama Canal in matters of accidents and of the Business Continuity Management System

Panama Canal Authority (ACP)

The Panama Canal is one of the two most strategic artificial waterways in the world, the other being the Suez Canal. With the publicity and the huge financial loss shared by the world because of the Suez Canal incident, there is certainly an awareness that a closure of a navigation channel of the magnitude of Suez has a great reputational and business continuity impact. Although we do not know all the circumstances of why the Ever-Given incident occurred, a similar incident in the Panama Canal can occur. This has highlighted the Panama Canal's interest in evaluating its Enterprise Risk Management, including its Business Continuity Management, and its internal controls systems.

For this reason, the Panama Canal, as part of the periodical review of its risk register, considered the Ever-Given incident and updated its mitigation measures and plans. This type of incident is evaluated as a medium risk level, if we compare it with other high priority risks for the Panama Canal, and it should be added that, throughout its history, there has not been an incident of this magnitude. In addition, a scenario like the Ever Given's in the Panama Canal was presented to the Board of Directors, the Administrator and the Functional Risk Committee for their knowledge and follow-up.

Some of the lessons learned by the Panama Canal from the recent blockade of the Suez Canal are:

- It is essential to be aware that events of this nature can occur, as we always are.
- Similar case simulation exercises are needed to update emergency response and crisis management plans, as we do.

2. REQUEST FOR INFORMATION DELIVERABLES

2.1. A proposal for the development of risk scenarios like that of Ever Given in the Suez Canal. These simulations should consider a highly competitive market, where participants must react to the actions of others in an environment of unpredictability. Scenarios should have a long-term perspective, to show how decisions made now will affect profitability later. It is expected that participants can learn the importance of being clear in their communications with the environment and stakeholders and have a graphic representation suitable for understanding by the Senior Management Team and the Board of Directors.

For the simulations, a number between 25 and 30 participants (distributed among members of senior management and managers of critical services) is estimated. Participants must assume the role of the Panama Canal, its competitors, the market, and other entities that affect the industry. Competitive dynamic simulations (war gaming) should consider the criteria and conditions indicated in this market study (see section 3 below) and anything that may happen in the real world, including natural disasters.

- 2.2. Detailed total price per deliverable.
- 2.3. Price per participant
- 2.4. Schedule: number of days required to develop the simulations. The proponent should consider that technical meetings with management and supervisory staff may be required to obtain detailed information.
- 2.5. ACP information required by the proponents to develop the simulations.
- 2.6. Experience, customer reference, equity, and financial information of the proponents (see attachment).

3. BUSINESS CONTEXT TO BE CONSIDERED FOR THE SIMULATIONS

3.1. Possible incidents that have the following characteristics:

- 3.1.1. Interruption of operations
- 3.1.2. damage to ACP structures
- 3.1.3. damage to transiting vessel
- 3.1.4. damage to third parties (vessels, cargo, infrastructure, interruption of operations, personal injury, or loss of life)
- 3.1.5. damage to the reputation of the Panama Canal
- 3.1.6. increase of expenses to respond to emergencies (overtime, loss of booking or reservations, delays) third parties' affectation (infrastructure and business

- interruption), "backlog" of transits at both entrances of the Canal.
- 3.1.7. possible injuries to the crew or personnel of the Panama Canal
- 3.1.8. possible pollution impact on water resources.

3.2. Physical context of the Canal:

- 3.2.1. The Canal has 3 sets of locks: 2 sets of panamax locks and a set of neo panamax locks. The chambers of the locks are 33.53 meters wide by 304.8 meters long.
- 3.2.2. The maximum dimensions for vessels interested in transiting through the Canal are:
 - o 32.3 meters wide;
 - o draft (depth) of 15.24 meters of tropical fresh water;
 - o and 370.33 meters long (depending on the type of vessel).
- 3.2.3. The dimensions of the Culebra Cut (narrowest point of the waterway) are:
 - o 13.7 kilometers long;
 - o the maximum width in its curves is 222 meters; and
 - o has a rocky bed.
- 3.2.4. Transit through the Panama Canal is 24/7.
- 3.2.5. There are ports at the Pacific entrance to the Panama Canal.
- 3.2.6. The Canal is in a tropical region prone to extreme rains, fog, and strong winds. There are two well-defined seasons: the dry season from December to April and the rainy season from May to November. Climate change leads to variations in both seasons; the dry season may extend and/or extreme rainfall may occur.
- 3.2.7. Gatun Lake, which is part of the Canal, is an artificial lake that supplies water to the surrounding towns and the transit operation. There is also Lake Alajuela that supplies water to the population and is part of the water strategy for the management of the operational levels of the Gatun Lake.
- 3.2.8. The Panama Canal generates electricity for its own use and for sale.

Additional information about the Panama Canal is available at the following site:
<https://www.pancanal.com/eng/index.html>.

4. CONFIDENTIALITY

Every proponent must always respect the rights of intellectual property and the confidentiality of the classified information to which he has been granted access due of this request for information.

The term "Classified Information" refers to any confidential or classified information or material owned by the ACP, whether owned or developed by the ACP. The term "Information" refers to any or all information disclosed to, or obtained from, the ACP which, in the reasonable judgment of an ordinary person, might appear to be of a proprietary nature and which, therefore, in its opinion, should not be disclosed to third parties without the consent of the ACP; this includes information about the business, the Enterprise Risk Management and Business Continuity Systems of the Canal, its employees and its technical information.

The proponent agrees:

- Not to copy or modify Classified Information without the prior written consent of the ACP.
- Its duties with respect to the handling of confidential or classified information include not disclosing confidential or classified information: (a) to other persons within or outside the proponent's organization, except those who require knowledge of it in an authorized manner to complete this request for information; (b) to persons outside the proponent's organization; (c) nor for the benefit of the proponent or any other person.

5. EXPLANATORY NOTE

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Jessica Adams - jjadams@pancanal.com

Attachment

PROPOSAL, FINANCIAL INFORMATION, AND COMPANY'S EXPERIENCE

Delivery of this document is for market research purposes only; this does not represent an award commitment; the purpose is to know if the requested service can be provided according to the terms and conditions established by the ACP and within the estimated budget.

No.	Description	Response	Comments
I.	PROPOSAL		
	General Proposal (attach the information)		
	Total service price		
	Price per participant		
II.	FINANCIAL STRENGTH INFORMATION		
1	Annual revenue range for the following years:	-	-
	2018		
	2019		
	2020		-
2	Equity value range for the following years:	-	-
	2018		-
	2019		-
	2020		-
III.	COMPANY'S EXPERIENCE		
1	Total years in the market		
2	Years providing dynamic competitive simulations (war gaming)		-
3	Does your company have specialized personnel in operational risk analysis for the maritime industry (ports, canals, and waterways)?		

Attachment

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No.	Description	Response	Comments
4	Has your company performed dynamic competitive simulations (war gaming) for maritime industry clients (ports, canals, and waterways)?		-
5	Estimated number of clients for which you have provided this service		-
6	Estimated average of your clients' equity (a range is acceptable)		-
7	Is your company willing to provide your clients' contact information?		-