

## CASE STUDY

# Seamless cooperation between partners wins high praise



## Experience, expertise and cooperation: the trifecta for a smooth delivery

### Challenge Summary

To help implement the expansion of its capabilities and the conversion to dual fuels, Termocandelaria had to transport plant equipment and materials from multiple locations around the world to Cartagena. There were strict deadlines - the plant had to be completed by a specific date to avoid huge fines.

### Services & Technologies Used

- Air and ocean freight
- Supply chain visibility platform
- Warehousing and special packing
- Regulatory and Security Compliance
- Logistics Management

### The Challenge

Termocandelaria S.C.A., owned by Termocandelaria Power Ltd., is a power generation company located near the city of Cartagena, along Colombia's Caribbean Coast.

The Colombian electricity market is served primarily by hydroelectric plants located in the center of the country. When there is drought, transmission issues or high demand, the plants are not always able to generate sufficient power to meet the region's needs. In these instances, the Colombian government calls on power plants utilizing other fuel sources, such as Termocandelaria, to provide additional megawatts.

To generate the requested power on demand and maximize its generating revenue, Termocandelaria decided to convert from natural gas fuel to dual fuel gas or diesel operation.

An aggressive conversion timetable was developed. The major challenge for Termocandelaria was not only to meet the deadline in order to implement the expansion of its capabilities and the conversion to dual fuels, but also to transport plant equipment and materials from multiple locations around the world to Cartagena. Time was critical, as was the need to tightly manage costs. There was no room for error.

### The Solution

Termocandelaria turned to a number of project logistics resources. Following a rapid RFQ process, the company selected PSA BDP Colombia.

"The best proposal was presented by [them]," said Maria Beatriz Antequera, Logistics Director for Termocandelaria S.C.A. "[Their] pricing was very good. Plus, we were confident that [their] global capabilities of offices and affiliates—their experienced and highly specialized resources—could handle the equipment moves. They were able to provide the information we needed for the project in the shortest time."

"Cost control is very important for Termocandelaria," Antequera said. "Termocandelaria operates in a highly competitive electricity market dominated by low-cost, hydro-based generation companies. That is why we had to have the most competitive rates from providers."

Material had to be moved not only from many locations in the United States, including Baltimore, Charleston, Miami, Houston, and New York, but also from Japan, Germany and Israel. In addition to the Project Logistics staff in the US and Germany, Enrico Benedetti, PSA BDP Colombia's General Manager and his team, worked with Singapore-based BDP Global Network Services partners in Japan and Israel.



Both ocean and air transportation were used. A chartered aircraft transported cargo from Germany to Colombia. "Air shipments from Japan to Colombia also were used. It would have taken 45 days by ocean," Benedetti said. "The client could not wait that long."

Since air transportation was being utilized, due to time constraints, costs had to be even more tightly controlled. While the air shipment from Germany was particularly challenging, the shipment still arrived on time.

Almost 90 percent of the cargo was purchased on FCA terms. It involved trucking the cargo out of the facilities, moving it to a warehouse arranged by PSA BDP, and packing - including vacuum packing to avoid corrosion for some of the materials - for ocean and air shipments to Cartagena. Approximately 40 percent of the cargo was shipped out of the Port of Houston. Extra-dimensional cargo was a great challenge; most was trucked at night via special trailer, which meant some roads had to be closed.

"Having a resource that could pull together the shipments from all the origin countries was important," Antequera said. "It was a tailor-made service. A service that listens to your needs and has the answers at the right time. The chartered flight was handled very well, as were the inland moves in the US."

"There is no substitute for experience, especially in the project logistics marketplace," Benedetti said. "We had strict deadlines. The plant had to be completed by a specific date to avoid huge fines. The cargo arrived on time."

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-Maria Beatriz Antequera,  
Logistics Director, Termocandelaria S.C.A., Colombia

## Customer Benefits

Customized solutions

Local expertise

Global network of office and services

Effective vendor management and one-source contact

Multimodal freight management

On-time destination delivery and cost management

Industry expertise

What are the primary capabilities Antequera looks for in the selection of a project logistics resource? "The provider needs to have wide ranging support, a global network," she said. "You need good prices. Experience is important, of course, which is where [they] have a competitive advantage over other providers bringing shipments into Cartagena."

And the whole move? "It was really well managed," she added. "The follow-up was really good. Complete door-to-door services. We worked as a team on the moves and we continue to work as a team. We are very satisfied with [PSA BDP]. I will keep working with them...and would recommend them to anyone."