Working in tandem and delivering services in line with expectations and satisfaction of a client, is a hallmark of project and construction management specialist Hill International. And evidence of that is in hand in Mexico, as the company ‘officially’ completed Phase 1 development of a port container terminal at Lazaro Cardenas at the end of March.

The client is APM Terminals, which is a leading global port and inland cargo services provider with a presence in 69 countries providing the world’s most geographically balanced global terminal network with 73 ports, nine new ports under construction and 10 facilities in expansion mode — along with an inland services network spanning 140 locations. Based in The Hague, Netherlands, APM works with shipping lines, importers/exporters, governments, business leaders and the entire global supply chain to provide solutions that help nations achieve their ambitions and businesses reach their performance goals. “Essentially, all major works for Lazaro Cardenas have been completed in a record time and in line with the client’s satisfaction,” said Hector Daniel Garcia, Hill’s project manager and port leader specialist in Mexico City. “We have also completed
the M&R [maintenance and repair] building, but that will not come in the way of the start-up of services at the container terminal.”

APM has announced an investment of $900 million for the first phase development of a semi-automated deep water terminal at Lazaro Cardenas Terminal 2 (TEC2) — Mexico’s second busiest container port — that will have 750 meters of quay and 1.2 million TEU annual throughput capacity. Phase 1 will also see the installation of seven ship-to-shore (STS) cranes and TEC2 will be linked by intermodal rail to the US rail network and to Mexico’s most important consumer market in the Mexico City area, generating 26% of Mexico’s economic output, with a population of 20 million including a substantial and rising middle class of consumers, APM said in a statement on its website, adding despite lagging global and regional Latin American economic growth, and sluggish global container shipping growth rates, the expectation is that the new terminal will have an immediate impact on Mexico’s local and international trade growth.

“Mexico is not only the second-largest economy in Latin America, but also one of the world’s Top 15 manufacturing economies, including having become one of the world’s top five car makers,” APM Terminals CEO Kim Fejfer said in a statement. “We view the Latin American market, and particularly Mexico, as an area of great opportunity.” The expected rate of growth of the Mexican economy is 1.7% to 2% in 2017. Mexican ports handled a combined 5.4 million TEUs in 2015, reflecting a growth rate of 7%, far outperforming global container market growth of just over 1% for the year. Throughput at the existing Port of Lazaro Cardenas rose by 6% in 2015 to 1.05 million TEUs, trailing only the Port of Manzanillo with 2.4 million TEUs handled in 2015 among Mexico’s busiest container ports.

For Hill, completing work on the Phase 1 development of Lazaro Cardenas is a big achievement, as the company’s success in delivering staff augmentation services to the client will open up doors for more opportunities, Garcia said. “Initially, we had 12 people from our side on the job, but that has now been reduced to five as work in winding down. This has been a very specialized contract and we have had extremely qualified and specialist people from Hill on the job,” he said. Besides Garcia who headed the Hill International team, others on the contract from the company’s side included a construction manager for marine works, a construction building manager for all buildings work, an MEP (mechanical, electrical and plumbing) official and a HSE (health, safety and environment) manager and a supervisor. At the beginning, Hill also had a contract manager on the job who was responsible for the tendering process for contractors, administration control and payments in-charge, Garcia added.

The biggest challenge that Hill faced was completing the project in a
record time of eight months, he said. “At the beginning, there was just a single contractor for the project. But APM asked them to leave and 20 contractors were brought in for several contracts. There was a potential threat of delay and cost overruns,” he said. Given its global expertise in project and construction management and its success in turning around troubled project, Hill was successful in completing the planned development on time. “We primarily had two challenges. The first was rescuing the project and getting it completed in a record eight months. Both tasks have been completed,” Garcia noted.

Hill’s project in Mexico comes on the back on another contract it was awarded late 2016 by APM Terminals to provide project management and supervision engineering services during the construction of a new container terminal at MedPort Tangier in Morocco. Due to be operational in 2019, the new trans-shipment terminal at Tangier will have an annual capacity of 5 million TEUs for what is billed as one of the largest ports in Africa. Opportunities also exist for Hill International in Latin America that includes the next phase development Lazaro Cardenas. At full build-out, TEC2 will double the quayside to 1,485 meters, increase the number of STS cranes from seven to fifteen and more than double annual throughput capacity to 4.1 million TEUs, APM said. “We are in the bidding process for more port and marine terminal work in Latin America to provide project management consultancy services and are hopeful of a positive outcome,” Garcia said.

The award of new contracts in the marine sector will be a major achievement for Hill International as the company makes major strides in increasing its footprint in the infrastructure development sector. After its services for the Panama Canal expansion and the MedPort Tangier in Morocco, the expectation will be for the company to win more such contracts not just in Latin America, but also globally. Evidence of that is already in hand with Hill being awarded a contract in January in Cartagena, Colombia with the client being COMPAS in a joint venture with APM Terminals. “We are also in a JV with Gomez Cagiao (Colombian engineering firm) for a PMC and supervision service contract that includes the design take over, tender support and construction management and supervision. The period of the project is 28 months and the name of the project is Cartagena COMPAS Expansion that includes reinforcement of the existing quay, 100m quay extension, dredging and reclamation areas, new pavements, buildings, staking areas and electrical works,” Hector concluded.