

**INTERNATIONAL COMPETITIVE BIDDING**  
**N. 03/2021**



**SUMMARY REPORT**

***CONCESSION OF THE SAO PAULO STATE COASTAL  
CROSSING SYSTEM***

# SUMMARY

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# INTRODUCTION

This **Roadshow Summary Report** presents to interested parties and the public the main aspects of **International Competitive Bidding no. 03/2021**, published by the Sao Paulo State Transportation Agency (ARTESP).

The **history** of the competitive bidding is presented with the description of its subject matter and relevant points related to the Market Sounding and the Public Hearing and Consultation.

Next, the **main aspects of the Public Notice and of the Concession Agreement** are highlighted, covering the conditions for participation and the bidding procedures, as well as the contracting period, execution phases, sources of revenue, risk allocation, among others.

The third and last topic addresses the most relevant points in relation to the Project's **Technical, Economic, and Environmental Feasibility Studies** (in Portuguese, '**EVTEA**'), considering the adjustments made during the structuring stages.

It is important to point out that this document is merely **referential** and was drafted with the sole purpose of aiding the general understanding of International Competitive Bidding no. 03/2021, **not replacing, under any circumstance, the content of the official documents made available on ARTESP's website and in the Data Room.** In this regard, any divergence between the content of this Summary Report and the official documents, the data and information contained in the official documentation shall prevail.

# PROJECT HISTORY

March 12, 2019 | Approval of the feasibility studies

April 23, 2019 and June 21, 22 and 24, 2021 | Market Sounding

May 25, 2021 | Public Hearing

May 5, 2021 to July 7, 2021 | Public Consultation

September 29, 2021 | Final Modeling Approval by CDPED

November 30, 2021 | Public Notice Publication

March 30, 2022 | Public Session

**International Competitive Bidding no. 03/2021**, published by ARTESP, is the concession of public services for operation, conservation, maintenance, and the necessary investments to adapt and exploit the waterway transportation system for vehicles and passengers called the Sao Paulo State Coastal Crossing System (**Project**).

The Project was initiated with **approval of the technical studies** by the Board of Directors of the São Paulo State Privatization Program (**CDPED**) on February 5, 2019.

# PROJECT HISTORY

In the **Market Sounding**, meetings were held on April 21, 2019, and on June 21, 22, and 24, 2021 to discuss the main issues related to the stages of Project structuring and elaboration of the Public Notice and Concession Agreement draft. The event was attended by members of the interested sector and the Sao Paulo State Government, by prior and publicized scheduling. For more information about the Market Sounding, access the website of the Sao Paulo State Partnership Undersecretariat through the link: [www.parcerias.sp.gov.br](http://www.parcerias.sp.gov.br).

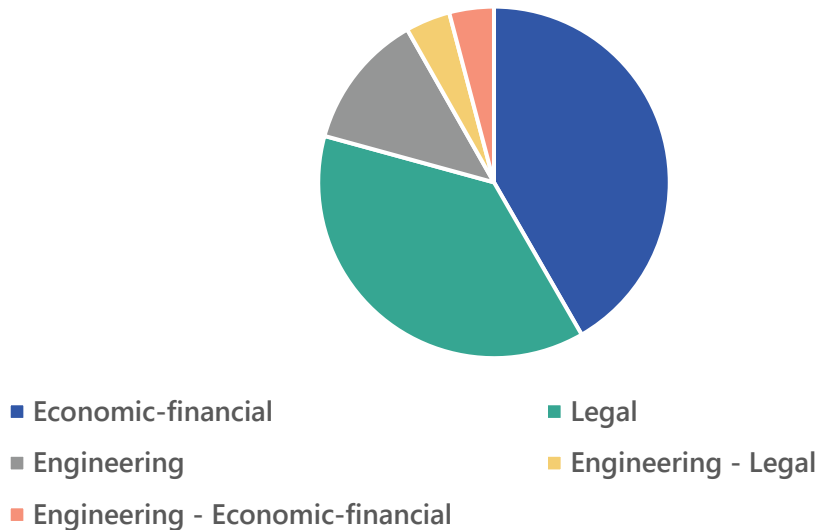
After conduction of the preliminary studies, a Public Hearing was held on May 26, 2021, in a virtual environment, to present the Project to the population and interested parties, with access to all relevant information and clarifications, ensuring the right to manifest, according to the Hearing Guidelines, duly disclosed by ARTESP.

The **Public Consultation**, in turn, took place in the period between June 5 and July 7, 2021. In the end, **24 contributions** were received from different sectors of the market and society, in the opening of a broad debate with the public. The information was segregated and addressed by work front.

Public Consultation Participants	
Civil Society	3
Companies	17
Unions/Associations/Institutes	4
<b>Total</b>	<b>24</b>

# PROJECT HISTORY

Contributions by theme



After dialog through the contributions received, the Project was approved on September 29, 2021, by CDPED, and through State Decree no. 66,272, of November 29, 2021, the proposed concession of the Coastal Crossing System was authorized.

## DESCRIPTION OF THE COASTAL CROSSING SYSTEM



**8** crossings with **15** ferries terminals in **3** regions across the coast

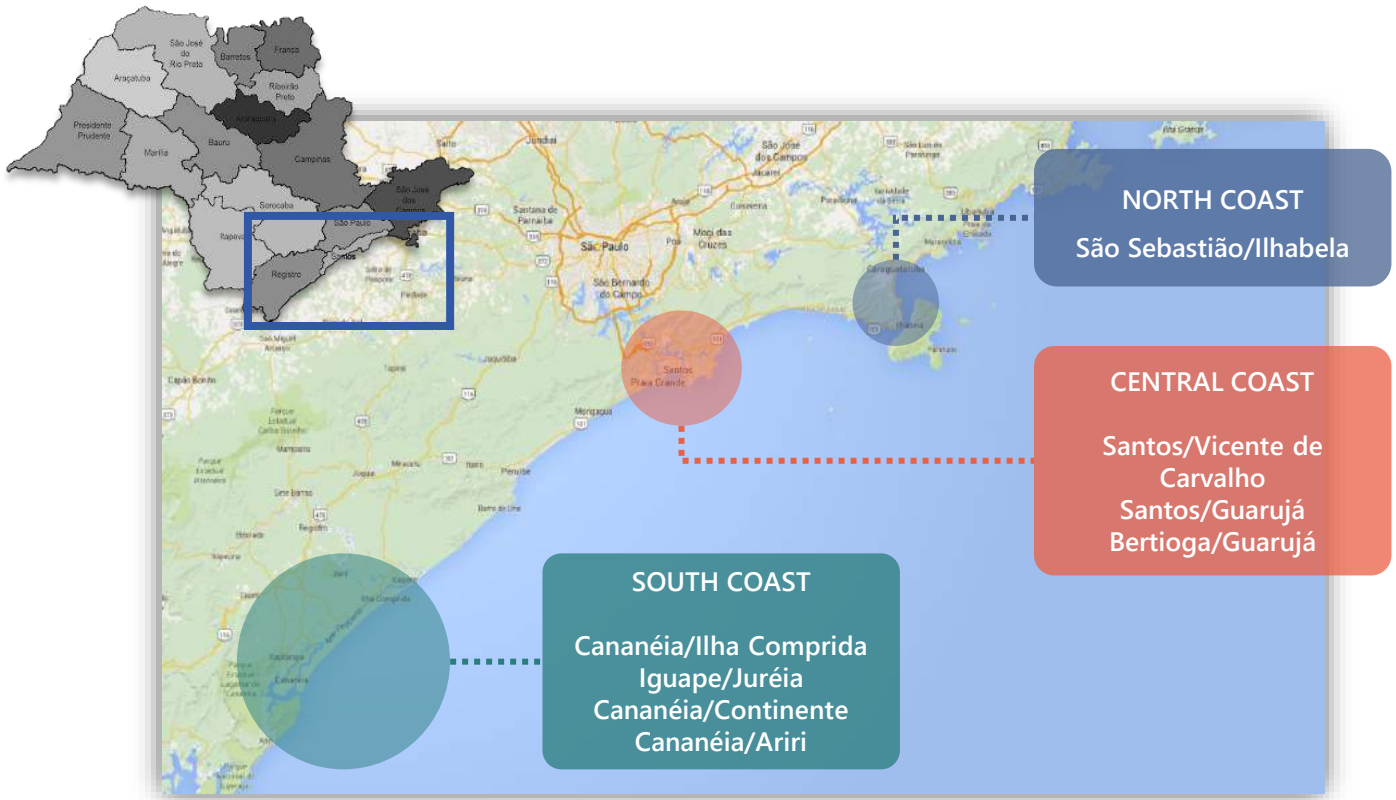


**24** ferries and **8** motorboats that carry per day **28k** cars and **22k** pedestrians and cyclists

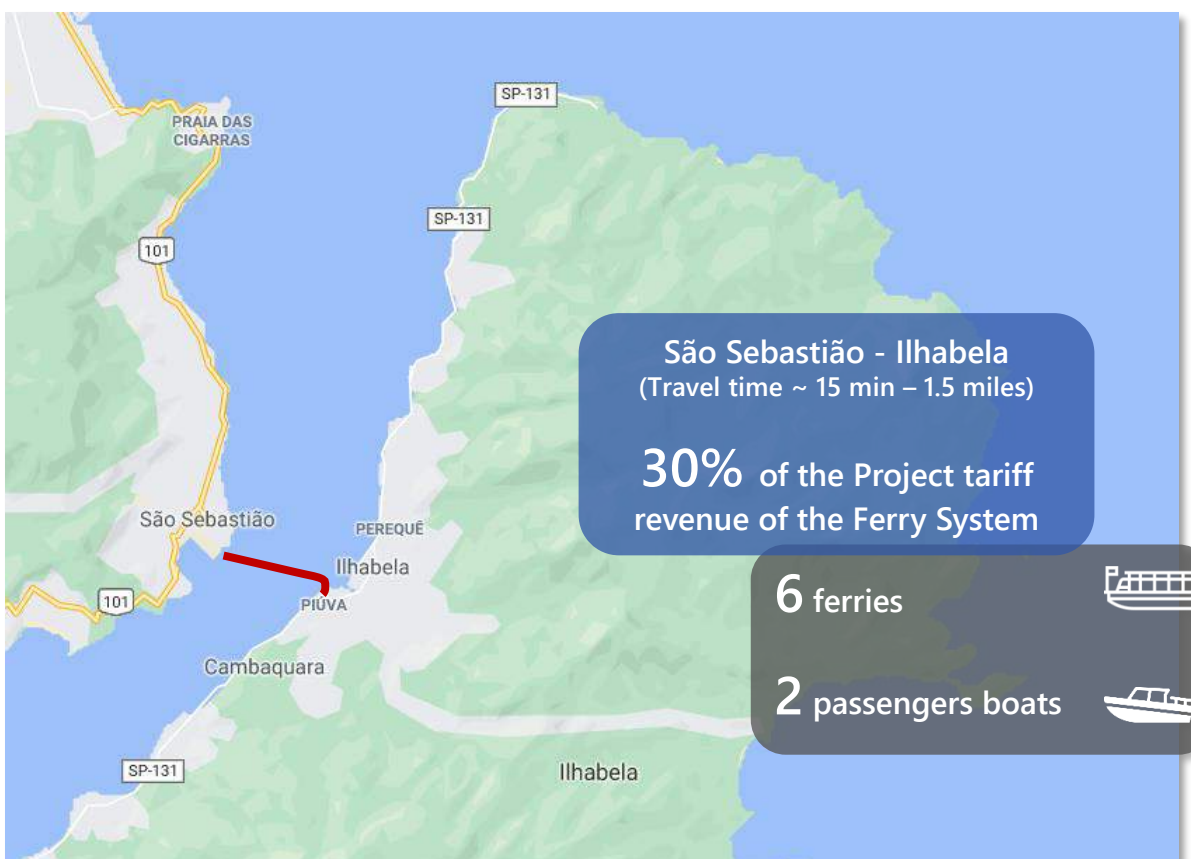


**3** shipyards e **4** ferries and boats repair shops

# DESCRIPTION OF THE COASTAL CROSSING SYSTEM



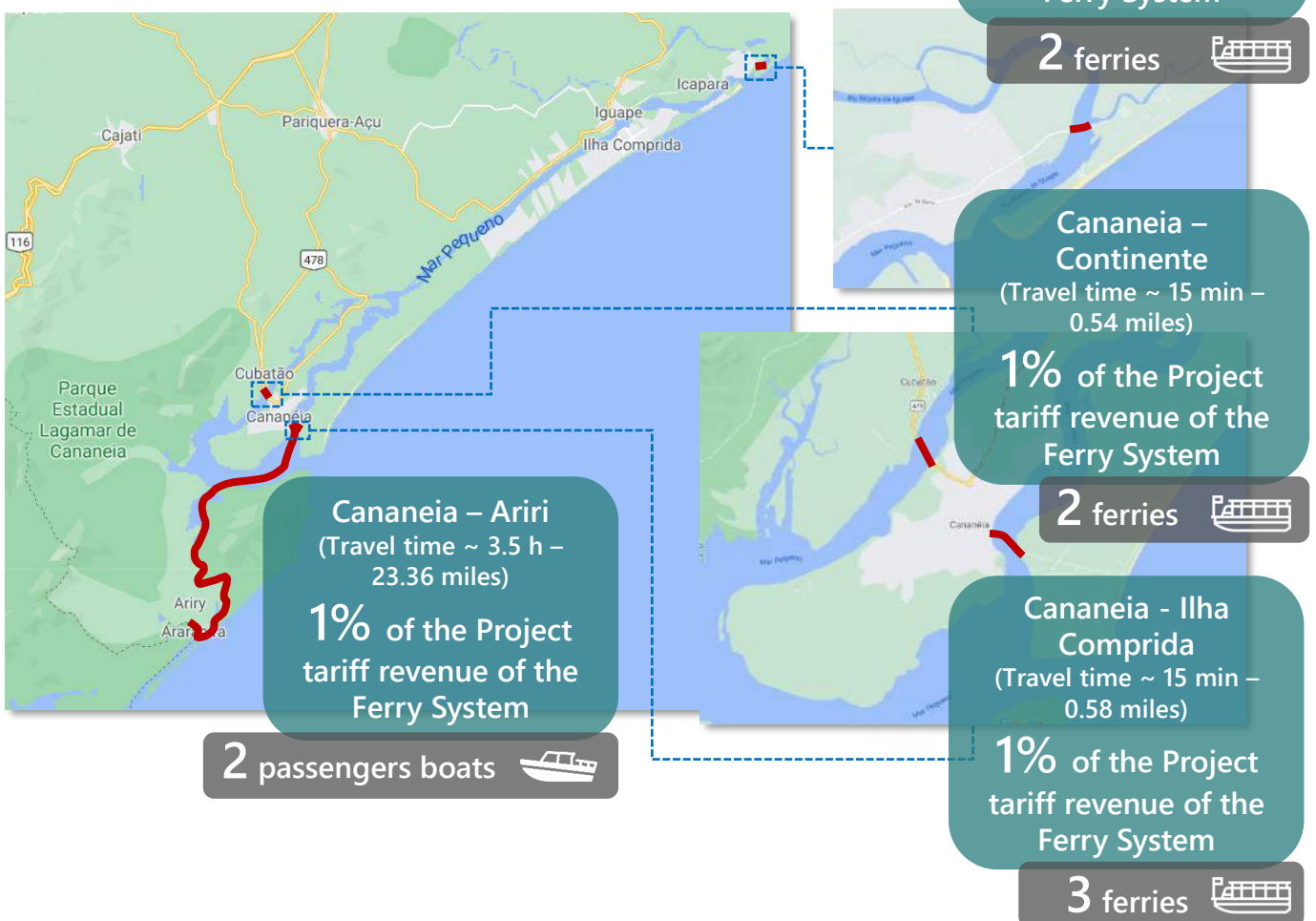
## NORTH COAST



# CENTRAL COAST



# SOUTH COAST





# ASSUMPTIONS AND MAIN ASPECTS OF THE PROJECT

The **assumptions** used for modeling the Project were the concession in a single batch, focus on the social user, recovery of the existing infrastructure, and investor security.

This topic presents the main aspects of the **Public Notice** and the **Concession Agreement**.

The topics address the conditions for participating in the bidding, bidding procedures, submission of proposals, and requirements for signing the Concession Agreement, as well as the contract term, contract performance phases, sources of revenue, and risk allocation, among others.



**PUBLIC SESSION** | It will take place on **March 30, 2022 at 2 pm**, at B3's headquarters.

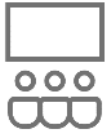


**JUDGING CRITERION** | The judging criterion is the **highest value of the fixed grant**, obeying the minimum value of R\$1.500,00 (US\$ 288.73).

## PUBLIC NOTICE

The Public Notice is available at ARTESP website:  
<http://www.ARTESP.sp.gov.br>.

# PUBLIC NOTICE



**CONDITIONS FOR PARTICIPATION** | Companies, legal entities, Brazilian or foreign, alone or in association.

The following will not be able to participate in the competitive bidding: the interested party that is temporarily suspended from participating in competitive bidding and impeded from contracting with the direct or indirect Administration of Sao Paulo State or has been declared ineligible to bid or contract with the Public Administration of any federal entity.

Regarding consortia, an association member, its subsidiaries, parent companies, affiliates or companies under joint control will not be allowed to participate in more than one consortium, even if they have different stakes or members among themselves, or separately.

The conditions for participating in the competitive bidding are the subject matter of **Item 8 of the Public Notice**, among other applicable provisions.



**TECHNICAL VISITS** | The interested parties will be able to make technical visits to recognize the existing infrastructure of the Coastal Crossing System.

As many visits as each interested party deems necessary can be made, always accompanied by representatives from ARTESP and/or the Granting Authority.

# PUBLIC NOTICE



**TECHNICAL VISITS** | In addition, the participation of as many representatives as the interested party deems necessary will be allowed, respecting eventual technical impossibilities, duly justified by ARTESP and/or the Granting Authority.

Interested companies wishing to carry out a technical visit must send a request to the e-mail [novasconcessões@ARTESP.sp.gov.br](mailto:novasconcessões@ARTESP.sp.gov.br), with the title "Technical Visit | Coastal Crossing System" indicating the crossing(s) that will be the subject matter of the visit. More instructions about technical visits are available at the link: [www.ARTESP.sp.gov.br](http://www.ARTESP.sp.gov.br).

The provisions related to the Technical Visits are contained in **Item 5 of the Public Notice**, without detriment to other applicable provisions.



**PROCEDURES** | The competitive bidding will be processed with the inversion of the qualification and judgment phases. Bidders must submit **Envelopes A (Bid Bond), B (Price Proposal) and C (Qualification Documents)** on the date of the Public Session for submission of the envelopes.

Bidders may be represented by **Accredited Representative(s)** in all documents and acts related to the bidding. At their discretion, the bidders may also sign an intermediation contract with an Accredited Broker to represent them in the acts with B3. Both Representatives and Brokers must be accredited by the Special Bidding Commission.

# PUBLIC NOTICE



**PROCEDURES** | The order of the procedures will be:

1. Delivery, by the bidders, of the envelopes, intermediation contract (if applicable), B3's payment commitment, and the documents for accreditation of the Legal Representatives.
2. Opening, by the Special Bidding Commission, of envelopes A and B.
3. Classification, by the Special Bidding Commission, of the price proposals, simultaneous processing, of the bidding phase simultaneously for the batches, if applicable, and classification of the proposals.
4. Initialing of the documents in envelopes A and B by members of the Special Bidding Commission, and, optionally, by the Accredited Representatives of the bidders.
5. Analysis, by the Special Bidding Commission, of the documents contained in Envelope B.
6. Consultation, by the Special Bidding Commission, with the CNEP [National Registry of Punished Companies], CEIS [Registration of Disqualified and Suspended Companies], CEEP [State Registry of Punished Companies] and CNIA [National Register of Civil Sentences for Administrative Improbability].
7. Analysis, by the Special Bidding Commission, of the bid bond from the bidder classified with the best proposal.
8. Opening, by the Special Bidding Commission, of a period for the filing of appeals, unless the bidders expressly manifested their lack of interest in appealing.

# PUBLIC NOTICE



**PROCEDURES** | The bidding schedule can be found below:

**PUBLICATION OF THE PUBLIC NOTICE** | November 30, 2021

**DEADLINE FOR CLARIFICATIONS** | March 9, 2022

**DEADLINE FOR RESPONSES TO THE CLARIFICATIONS AND OBJECTIONS TO THE PUBLIC NOTICE** | March 23, 2022

**DEADLINE FOR JUDGING OBJECTIONS** | March 29, 2022

**END OF TECHNICAL VISITS** | March 29, 2022

**PUBLIC SESSION** | March 30, 2022

The bidding procedure is the subject matter of **Items 10, 14 and 15 of the Public Notice**, and of **B3's Procedures Manual (Annex 15)**, among other applicable provisions.



**PRICE PROPOSAL** | The **minimum upfront fee** is R\$1.500,00 (US\$ 288.73), and the **price proposal must be valid for at least 180 days**.

Submission of price proposals by the bidders and the judging criterion are the subject matter of **Items 6, 12 and 14 of the Public Notice**, among other applicable provisions.

# PUBLIC NOTICE



**BIDDING PHASE** | The public session will include an open outcry phase when valid proposals are presented **with a value up to and including 20% less than the highest price proposal.**



**INSPECTION CHARGE AND PERFORMANCE DISCOUNT** | ARTESP will be entitled to **0.5% of the tariff revenue** earned by the Concessionaire as inspection charge.

A **performance discount of up to 5%** will be applied to the tariff revenue of the concessionaire, calculated according to the quality of the service provided on a monthly basis.



**BID BOND** | It must be presented in the minimum amount of **R\$ 1.434.259,87 (US\$ 276,074.04)**, valid for 180 days, from the date of the Public Session, in one of the following modalities: cash bond, public debt securities, insurance-guarantee or bank guarantee.

The provisions on the Bid Bond are the subject matter of **Items 11 and 14 of the Public Notice**, and of **B3's Procedure Manual (Annex 15)**, among other applicable provisions.



**QUALIFICATION** | The **legal qualification** (Items 13.5 to 13.8), **tax and labor regularity** (Items 13.9 to 13.13), as well as the **economic-financial qualification** (Items 13.14 to 13.23) and **technical qualification** (Items 13.24 to 13.32) must be proven, and **declarations** (Items 13.33 and 13.34) must be presented.

# PUBLIC NOTICE



**QUALIFICATION** | As for the **economic-financial qualification**, the bidder must prove, through a balance sheet, that it has a net equity of at least **R\$ 14.342.598,67 (US\$ 2,760,740.43)**.

As for **technical qualification**, the bidder must prove by means of a certificate on behalf of the bidder, issued by a public or private legal entity, or by a regulatory and/or inspection body, that it has previous experience, over at least 12 months, as responsible for the management/administration of infrastructure assets that have generated annual operating revenue of at least **R\$ 18.071.628,47 (US\$ 3,478,524.11)**.

To prove the **technical qualification**, a sum of certificates will be allowed, as long as one of the certificates demonstrates participation as responsible for the administration of infrastructure that has a value of at least **R\$ 9.035.814,23 (US\$ 1,739,262.05)**.

If the bidders are united as a consortium, each member of the consortium must individually meet the requirements related to legal qualification and tax and labor regularity. As for the economic-financial qualification, the net equity to be considered will be obtained by the sum of the net equity of each consortium member, in proportion to its respective participation.

The qualification of the bidders is the subject matter of **Items 10 and 13 of the Public Notice**, among other applicable provisions.

# PUBLIC NOTICE



## CONDITIONS FOR SIGNING THE CONCESSION AGREEMENT |

Before signing the Concession Agreement, the winning bidder must:

### No later than 12 business days before:

1. Submit a three-name list with the pre-selected entities aiming at acting as Independent Verifier for approval by ARTESP.
2. Present the Investment Plan, in the form of Annex 21, and the Assisted Operation Plan, which must observe the guidelines and minimum content described in Annex 3 and be approved by ARTESP, according to the rite stipulated in Annex 3.

### No later than 7 business days before:

1. Establish the SPE.
2. Have paid-in capital stock of the SPE in the minimum amount of R\$ 28.685.197,35 (US\$ 5,521,480.86).
3. Prove that it has provided the Performance Bond corresponding to 5% (R\$ 13.634.356,43 | US\$ 2,624,414.16) of the estimated value of the Concession Agreement (R\$ 272.687.128,59 | US\$ 52,488,283.13).
4. Prove payment to B3 in the amount of R\$ 197.970,35 (US\$ 38,106.40).



# PUBLIC NOTICE



## CONDITIONS FOR SIGNING THE CONCESSION AGREEMENT |

Before signing the Concession Agreement, the winning bidder must:

### No later than 7 business days before:

5. If the investment fund has made use of the options provided in the Public Notice, prove payment of the Investment Commitment(s) signed between the quota holders and the Fund, up to the amount of the paid-in capital of R\$ 14.342.598,67 (US\$ 2,760,740.43).
6. Indicate the agent who will represent the Concessionaire during the concession term.
7. Present an Insurance Plan, which is compatible with the Investment Plan.
8. Submit a letter from the insurance institution, reinsurer, insurance broker, or guarantors assisting the Bidder in assembling the Insurance Plan, stating that they have conducted the analysis and certify the suitability of this Plan.

**Up to 3 business days before**, having paid the fixed grant, through the adjudicator or the SPE, updated by the IPCA [extended consumer price index].

The requirements for signing the Concession Agreement are the subject matter of **Item 16.5 of the Public Notice**, among other applicable provisions.

# CONCESSION AGREEMENT

**STRUCTURE** | The Concession Agreement is structured as shown in the table below:

ANNEX	TITLE	SUBJECT MATTER
ANNEX 1	Concession Regulation	Disciplines the provision of services of the Coastal Crossing System.
ANNEX 2	Coastal Crossing System	Describes the integrality of the Coastal Crossing System that will be delegated to the Concessionaire.
ANNEX 3	Specifications	It describes the minimum investments and charges that must be met by the Concessionaire for adequate implementation and operation of the Project.
ANNEX 4	Environmental Specifications	Describes the environmental charges to be met by the Concessionaire.
ANNEX 5	Fare Structure	Describes the fares that may be charged by the Concessionaire and its regulation.
ANNEX 6	Ticketing	Describes the systems and implementation deadlines to be observed by the Concessionaire for the appropriate collection and earning of fare revenues.
ANNEX 7	Parameters and Procedure for Contingent Investments	Contains the rules to be observed by the Granting Authority, by the Concessionaire and by ARTESP for the making of contingent investments in the scope of the Concession Agreement.
ANNEX 8	Performance Indicators	Establishes the indicators related to the provision of adequate service to be observed by the Concessionaire under the condition of a discount for performance to be applied on its gross revenue.
ANNEX 9	Guidelines for Tripartite Agreement	Agreement draft that may be signed between the fiduciary agent representing the financiers, or directly by the financiers, the Granting Authority, ARTESP, and the Concessionaire, which disciplines the relationship among the four parties aiming at full execution of the contract, and preservation of the interests of the financiers.
ANNEX 10	Insurance Plan and Insurance Policies (delivered by the CONCESSIONAIRE and duly approved by ARTESP)	List of all compulsory insurances, in the terms of the Concession Agreement and Annexes.

# CONCESSION AGREEMENT

**STRUCTURE** | The Concession Agreement is structured as shown in the table below:

ANNEX	TITLE	SUBJECT MATTER
ANNEX 11	Performance Bond (delivered by the CONCESSIONAIRE and duly approved by ARTESP)	List of the compulsory contracting guarantees, in the terms of the Concession Agreement and Annexes.
ANNEX 12	SPE documents (delivered by the CONCESSIONAIRE)	SPE documents to be delivered by the Concessionaire.
ANNEX 13	Initial Transfer Term (issued in due course by ARTESP)	Document to be issued by ARTESP that will mark the concession start date.
ANNEX 14	Penalty Specifications	Defines the violating conducts, the respective penalties, and governs the process for applying the penalties.
ANNEX 15	B3 Procedure Manual	Document that governs the bidding process in a way that is complementary to the public notice.
ANNEX 16	Bidding models	Models of declarations and other documents to be submitted during the bidding process.
ANNEX 17	Glossary	Defines the terms used in all documentation relating to the concession Project for the Coastal Crossing System.
ANNEX 18	Return Conditions	Defines the fundamental conditions for the return of the Coastal Crossing System by the concessionaire to the Granting Authority or to the Concessionaire that succeeds it.
ANNEX 19	Account Management Contract - Centralized Account	Draft of the centralized account management contract to be signed with the depositary bank. The centralized account must receive the revenues earned by the Concessionaire.
ANNEX 20	Technical and Economic Feasibility Study - 'EVTE'	Technical and Economic Feasibility Study, which presents the technical, operational, and economic aspects of the Concession.
ANNEX 21	Investment Plan	Plan to be delivered by the Concessionaire as a condition for signing the Concession Agreement.

# CONCESSION AGREEMENT

**STRUCTURE** | The Concession Agreement is structured as shown in the table below:

ANNEX	TITLE	SUBJECT MATTER
APPENDIX 1	Preliminary Engineering Projects	Preliminary engineering Projects for the infrastructure of the Coastal Crossing System.
APPENDIX 2	Vessel Data Sheets	Documentation regarding the vessels that are currently used to provide the services of the Coastal Crossing System.
APPENDIX 3	CETESB's Roadmap for the Environmental Regularization Process	Guidelines to be observed by the Concessionaire to carry out the environmental regularization.
APPENDIX 4	Environmental Liabilities	Contains the list of existing environmental liabilities at the operating sites of the Coastal Crossing System.
APPENDIX 5	Operating Licenses	Operating licenses in effect for the Coastal Crossing System.
APPENDIX 6	Ownership Documents	Ownership documentation relating to the land used by the Coastal Crossing System.



**SUBJECT MATTER** | Public services of operation, maintenance and investments necessary to operate the waterway system for transporting vehicles and passengers called the Coastal Crossing System, comprising the activities and charges under the terms of the Concession Agreement and its Annexes, including:

1. Elaboration of the Projects referring to the Mandatory Investments and Planned Investments;
2. Maintenance and obtainment of the necessary approvals, authorizations and Environmental Licenses for execution of the Concession Agreement subject matter;

# CONCESSION AGREEMENT



## SUBJECT MATTER

3. The making of Mandatory Investments and Planned Investments, in order to comply with the performance indicators, and to ensure their permanent updating and modernity;
4. The operation, maintenance, and economic exploitation of the Coastal Crossing System during the entire Concession Agreement term;
5. Obtaining, applying and managing financing, short and/or long term, and/or the financial resources required throughout the Concession Term;
6. The development of businesses that may constitute a source of Accessory Revenues, in the manner and conditions set forth in the Concession Agreement;
7. The hiring of an Independent Verifier to provide technical support to ARTESP in assessing the quality and performance of the services provided by the Concessionaire, under the terms of the Concession Agreement;
8. The supply of goods and services necessary to fulfill the contractual obligations, in order to keep them in full operation and capacity for fulfillment of the contractual obligations;
9. Preventive and corrective maintenance of the Concession Assets, in order to keep them in full operation and capacity for fulfillment of the contractual obligations.

### SUMMARY REPORT

# CONCESSION AGREEMENT



**PARTIES** | The Concession Agreement will be signed between the Granting Authority (Sao Paulo State Government, through the State Department of Logistics and Transportation) and the Specific Purpose Entity formed by the winning bidder. ARTESP will be the consenting intervening party of this Concession Agreement.



**INDEPENDENT VERIFIER** | Company hired by the Concessionaire, subject to approval by ARTESP, which must perform an independent evaluation of the performance indicators, in addition to other functions specified in the contract, such as:

- Monitoring and evaluation of the assisted operation;
- Elaboration of the initial transfer term;
- Support to inspection, with the production of analyses, reports and opinions.



**TERM** | **30 years** from the Start Date, with the possibility of extension under the terms of Clause 6.2 of the Concession Agreement.

The Start Date is the date when ARTESP issues the Initial Transfer Term, representing the end of the Assisted Operation period.

The Concession Term and the conditions for full effectiveness are the subject matter of **Clause Sixth of the Concession Agreement**, among other applicable provisions.

## SUMMARY REPORT

# CONCESSION AGREEMENT



**ESTIMATED CONCESSION AGREEMENT VALUE | R\$**  
272.687.128,59 (US\$ 52,488,283.13).



**IMPLEMENTATION PHASES |** The Concession Agreement established an Assisted Operation period divided into two phases aimed at implementing the Project: Stage 1, subdivided into Stages 1-A and 1-B; and Stage 2.

**STAGE 1-A |** It starts within 10 (ten) days after ARTESP's approval of the Assisted Operation Plan and its purpose is to promote the theoretical training of the Concessionaire's representatives by the Granting Authority, with a period of 10 days.

**STAGE 1- B |** It will last 20 (twenty) days after the end of Stage 1-A and is intended for the onsite practical training of the Concessionaire's representatives by the Granting Authority.

**STAGE 2 |** It will last 30 (thirty) days and aims to ensure the supervision, by the Granting Authority, of the provision of the services delegated by the Concessionaire.

The Concessionaire's ability to start operating the Coastal Crossing System autonomously will be evaluated by the Independent Verifier, whose decision will be binding. In the event of inability, the operation period may be extended:

1. For a period of 30 (thirty) days, during low season; or
2. For a period of 60 days, during high season.

# CONCESSION AGREEMENT



**IMPLEMENTATION PHASES** | The ability of the Concessionaire to operate the Coastal Crossing Service will result in the ending of Stage 2 and will lead to issuance of the Initial Transfer Term by ARTESP, establishing the Concession Start Date.

The Project implementation phases are the subject matter of **Clause Fourteenth of the Concession Agreement**, among other applicable provisions.



**GROSS REVENUE** | The Concessionaire will be entitled to charge fees from users of the Coastal Crossing System, as well as explore economic activities directly or through third parties contracted by it, generating accessory revenues.



**ACCESSORY REVENUE** | The Concessionaire may explore, directly or through third parties, accessory, alternative and complementary sources of non-fare revenue, as well as those arising from associated projects, as long as they do not compromise the safety of the operation and the quality of the Delegated Service.



**TARIFF REVENUES** | The Fare Revenues shall be Pedestrian and Cyclist Tariffs and Vehicle Tariffs (according to the specifications in Annex 5).

The total fare revenue of the concessionaire will be the sum of all the different revenues of each crossing and each user type, whose main points are:



# CONCESSION AGREEMENT



## TARIFF REVENUES

- **Base Tariff** stipulated by the Granting Authority on the base date of August 2021 in the amount of US\$ 3.54 (R\$18,41) (eighteen reais and forty-one cents). For purposes of calculating the multipliers, a ratio of US\$ 3.5442 (R\$ 18,4131) should be considered for the Base Tariff.
- The concessionaire **may increase the Base Tariff by up to 50%** on weekends and holidays.
- For each crossing as well as for each type of user, there will be a multiplier to be applied on the Base Tariff to establish the value of the tariff to be charged.
- Pedestrians and cyclists will have the same multiplier in a certain crossing, that is, pedestrians and cyclists will pay the same tariff for the same crossing.
  - **Exclusively for the Cananéia - Ariri** crossing, there should be a different multiplier for those who do not live in Cananéia, Ariri or Marujá.
  - Zero multiplier will be applied to pedestrian and cyclist tariffs on the Sao Sebastiao - Ilhabela, Guarujá - Bertioga, Juréia - Iguapé, Cananéia - Ilha Comprida, and Cananéia - Continente crossings until the readjustment following the cumulative events below:

# CONCESSION AGREEMENT



## TARIFF REVENUES

- Completion of the implementation of mandatory investments; and
  - Start of the 6<sup>th</sup> year of contract execution, counted from the signing of the TTI [Initial Transfer Term].
- 
- Multipliers will be distinguished by vehicle size, vehicle type (flammable, armored car), as well as for "scheduled time".
  - Tariffs will be charged in one direction only, but if the concessionary wants, it can charge half the tariff in each direction.
  - The Base Tariff will be readjusted based on the variations of the average income of workers in the state of Sao Paulo, the price of the liter of diesel oil, the IPCA, and the INCC [National Construction Cost Index]. Each item will have a different weight in the readjustment formula.

# CONCESSION AGREEMENT



## TARIFF REVENUES

TABLE 1

### MULTIPLIERS FOR PEDESTRIAN AND CYCLIST TARIFFS

CROSSINGS				
Category	Specification	Santos – Guarujá Santos – Vicente de Carvalho	Cananeia – Ariri	São Sebastião – Ilhabela Guarujá – Bertioga Juréia – Iguapé Cananéia – Ilha Comprida Cananéia – Continente
1	Pedestrians and Cyclists	0,1233	0,2466	0,0176

TABLE 2

### GENERAL MULTIPLIERS FOR VEHICLE TARIFFS I

CROSSINGS					
Category	Specification	Santos-Guarujá	São Sebastião – Ilhabela	Guarujá – Bertioga	Juréia – Iguapé Cananéia – Ilha Comprida Cananéia – Continente
13	Flammable	11,0000	16,9891	7,0978	7,0978
14	Armored Car	56,2989	86,9457	40,0000	65,7011

# CONCESSION AGREEMENT



## TARIFF REVENUES

TABLE 3

GENERAL MULTIPLIERS FOR VEHICLE TARIFFS 2

CROSSINGS			
Category	Specification	São Sebastião – Ilhabela	Other Crossings
2A	Small Cars	1,5443	1,0000
2B	Big Cars	2,3165	1,5000
3	Buses and Trucks with 2 Axles, Tractors, Tractors with Trailer and Trailers	5,4076	3,5000
4	Buses and Trucks with 3 Axles or More	12,3533	8,0000
5	Trucks with Trailer or Semi-Trailer	15,4457	10,0000
6A	Small Cars with Trailer	3,0886	2,0000
6B	Big Cars with Trailer	4,6329	3,0000
7A	Small Cars with Trailer with 2 Axles	4,6329	3,0000
7B	Big Cars with Trailer with 2 Axles	6,9494	4,5000
8	Motorcycles, Scooters, Mopeds, Ice Cream Trucks and the Like	0,7717	0,5000
9	Motorcycles, Scooters, Mopeds, Ice Cream Trucks and the Like with Trailer	1,5435	1,0000
10	Exempt Vehicles	0,0000	0,0000
11	Shipyard / Parking (does not board)	0,0000	0,0000
12A	Scheduled Time for Small Cars	5,4051	3,5000
12B	Scheduled Time for Big Cars	8,1076	5,2500

# CONCESSION AGREEMENT



## TARIFF REVENUES

### CANANEIA – ARIRI CROSSING

Exclusively in relation to the Cananéia - Ariri crossing, a multiplier of 1.7755 should be applied for users who do not reside in Cananéia, Ariri or Marujá.

Users of the Cananéia-Aririri crossing who disembark at the stop in the community of Marujá, according to Annex 3, should be charged the same tariff as users who disembark at Ariri.

The Concessionaire's Remuneration is the subject matter of **Clauses Eighth, Nineth, Tenth and Eleventh of the Concession Agreement**, as well as of Annex 5, among other applicable provisions.



**RISK ALLOCATION** | The main risks of the Concessionaire are: (i) risk of non-payment of tariffs by users ; (ii) demand risk; (iii) construction risk; and (iv) operational risk.

The main risks for the Granting Authority are: (i) legal or administrative decisions arising from facts prior to the signing of the Initial Transfer Term that result in constriction of tariff revenues; (ii) relaxation of security requirements or reduction of Mandatory Investments and Planned Investments; (iii) maintaining possession, before the Federal Government, of the Brazilian Navy lands that make up the Coastal Crossing System;

# CONCESSION AGREEMENT



**RISK ALLOCATION** | (iv) creation and/or extinction of taxes or changes in the tax legislation, including with regard to the IPTU [Urban Property and Land Tax] , except for taxes on income; (v) the Concessionaire does not obtain the REIDI [Special Regime of Incentives for Infrastructure Development], for reasons beyond its control and will; (vi) increased costs as a result of changing safety standards and other requirements; and (vii) delays or non-execution caused by its delay or omission, or by ARTESP, in performing the activities and obligations attributed to them in the Contract.

Risk allocation is the subject matter of **Clause Twenty-Fourth of the Concession Agreement**, among other applicable provisions.



**CONTRACT TERMINATION EVENTS** | It may occur due to the advent of the contractual term, termination for reasons of public interest, forfeiture, rescission, annulment resulting from vice or non-convertible irregularity found in the procedure or in the act of granting it, bankruptcy or extinction of the Concessionaire, or court-ordered reorganization, in the latter case, which impairs the performance of the Contract, unforeseeable event and force majeure, and configuration of any of the events of early termination (Way-Out).

The Contract Termination events are the subject matter of **Clause Forty-Fourth of the Concession Agreement**, among other applicable provisions.

# CONCESSION AGREEMENT



**WAY-OUT** | The Concession Agreement can be terminated, by initiative of either Party, in events in which the following occur:

1. In case of verification, in the 24<sup>th</sup> month from the Start Date, of the unfeasibility of contracting long-term financing by the concessionaire, in cases where this is necessary for continuity of the Concession.
2. In case of the materialization of fortuitous events or force majeure, when such events are not insurable according to the rules established in the Contract, and whose irreparable consequences extend for more than 90 (ninety) days, or for a period defined by mutual agreement between the parties, when verification of the effects may irreversibly compromise the Concession exploitation.
3. Implementation of a dry connection between the cities of Santos and Guarujá when in the six (6) months after the start of full operation of the dry connection there is a drop in the sum of the real demand of the Santos-Guarujá and Santos-Vicente de Carvalho crossings exceeding 4.5% of the average verified in the same months of the last 5 years of operation of both crossings.
4. When the aggregate value of Contingent Investments exceeds the amount of R\$ 45.325.193,01 (US\$ 8,724,436.60).

Early extinction can also occur by initiative of the Granting Authority when there is a delay exceeding the deadline for the end of the Assisted Operation Phase by 180 days due to the Concessionaire's fault.

# CONCESSION AGREEMENT



**WAY-OUT** | In the events of early termination of the Contract, the Concessionaire will be indemnified in the form of **Clause 49.2 of the Concession Agreement**.



**ACCOUNT STRUCTURE** | The tariff and accessory revenues will be deposited in a Centralized Account, in which there will be an automatic discount in function of the incidence of the Performance Discount (up to 5%), the Inspection Charge (0.5%) and eventual certain and net amounts due by the Concessionaire to ARTESP and/or the Granting Authority. The remaining balance will be transferred to the **Concessionaire's Free Movement Account**.

The Centralized Account is regulated in **Annex 19**, among other applicable provisions.



**INVESTMENTS** | The Project establishes two main types of Investments:

- Mandatory; and
- Planned.

The **Mandatory Investments** total **R\$ 272 million (US\$ 52M)** and are divided into three main fronts:

- Recovery and improvement of the existing infrastructure of the Crossing System: **R\$ 117 million (US\$ 22.5M)**. Examples:



# CONCESSION AGREEMENT



## INVESTMENTS

- Recovery of road paving;
- Recovery of buildings;
- Recovery of floaters;
- Recovery of access bridges;
- Recovery of berths in the Santos – Guarujá crossing;
- Construction of new access bridges.
  
- Improvements and increased capacity of the vessels: **R\$ 143 million (US\$ 27.5M)**. Examples:
  - Jumboization (renovation of vessels to increase their capacity) of 10 ferries;
  - Acquisition of 5 ferries with a minimum capacity of 48 vehicles;
  - Acquisition of 1 motorboat for the Cananeaia - Ariri crossing, with a minimum capacity of 75 passengers.
  
- Environment: **R\$ 12 million (US\$ 2.3M)**. Examples:
  - Waterproofing of the shipyards;
  - Management of contaminated areas.

In addition, the Project also includes **Planned Investments**, which are mandatory and are described in the Specifications, subject to review. Also, the **Planned Investments** consist of expanding the capacity to serve users and are concentrated after the first 5 years of the Concession's term.

# CONCESSION AGREEMENT



**INVESTMENTS** | About **Contingent Investments**, related to the implementation of dry connection between the cities of Santos and Guarujá, to be carried out by the Concessionaire in the concomitant occurrence of the following hypotheses:

1. The value of the Partial Demand Fulfillment Index is lower than the target set for the Demand Fulfillment Index defined in **Annex 7**.
2. The event of the item above has been reached during 6 (six) days, consecutive or not, in the same month.
3. The event of the item above occurs over three (3) consecutive months.

Finally, there are the **Additional Investments**, which are those not originally provided for in the Contract and in **Annex 3**, subject to the provisions of Clause 29.2 of the Concession agreement.

The Project's investments are reflected in the EVTEA. The planned investments may be reviewed at the request of the Parties or ex officio, by ARTESP. The economic-financial imbalance of the Contract will be calculated and consolidated in the scope of the ordinary or extraordinary review processes.

The Mandatory and Planned Investments are regulated in **Clause Sixteenth of the Concession Agreement** and in **Annexes 3 and 21**, among other applicable provisions.

# CONCESSION AGREEMENT



**TRIPARTITE AGREEMENT** | The signing of a Tripartite Agreement by the Financiers, represented by a fiduciary agent, in which the Granting Authority, ARTESP and the Concessionaire will also appear as parties, will be allowed.

The Tripartite Agreement is regulated in **Clause Thirty-Eighth of the Concession Agreement** and in **Annex 9**, among other applicable provisions.



**CONFLICT RESOLUTION** | The Concession Agreement foresees the possibility of resolving conflicts by consensus and through arbitration.

With regard to arbitration, the Parties may subject any disputes relating to available property rights concerning the interpretation or execution of the Contract to arbitration. It is important to stress that the opening of the arbitration procedure does not release the parties from their contractual obligations.

Conflict Resolution is regulated by **Clauses Fifty-Sixth and Fifty-Seventh of the Concession Agreement**, among other applicable provisions.

The Concession Agreement is available at ARTESP website: <http://www.ARTESP.sp.gov.br>.

# EVTEA EXECUTIVE SUMMARY

**NOTE** | All the values presented have **August 2021 as the base date**.

**MINIMUM UPFRONT FEE** | R\$ 1.500,00 (US\$ 288.73), to be paid in full within 3 business days from the Concession Agreement signing date.

**INSPECTION CHARGE** | 0.5% of the Tariff Revenue earned by the Concessionaire from the end of the Assisted Operation period.

**PERFORMANCE DISCOUNT** | Up to 5% of the Tariff Revenue.

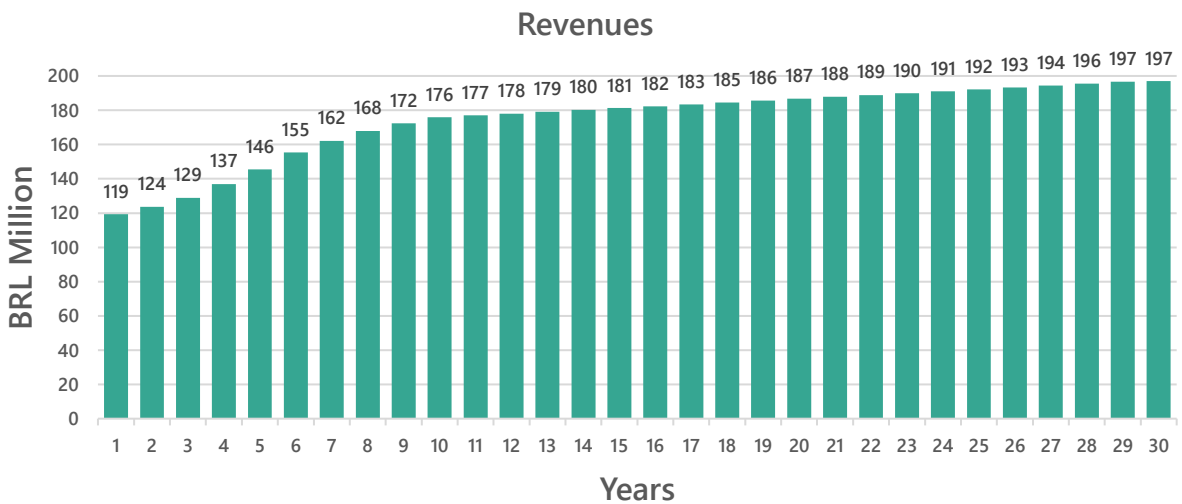
FINAL SCORE (NF)	PERFORMANCE DISCOUNT (% DISCOUNTED FROM THE REVENUE)
$90 \leq NF \leq 100$	0,00%
$75 \leq NF < 90$	1,00%
$50 \leq NF < 75$	2,00%
$25 \leq NF < 50$	3,00%
$00 < NF < 25$	4,00%
00	5,00%

**ESTIMATED CONCESSION AGREEMENT VALUE** | R\$ 272.687.128,59 (US\$ 52,488,283.13).

**REMUNERATION** | The concessionaire shall be entitled to charge tariffs from users of the Coastal Crossing System, and may also explore, directly or through third parties, accessory, alternative and complementary sources of non-tariff revenue, as well as those arising from associated projects, as long as they do not compromise the safety of the operation and the quality of the Delegated Service. Regarding non-tariff revenues, there is no obligation to sharing with the Granting Authority under the Concession Agreement.

# EVTEA EXECUTIVE SUMMARY

**REMUNERATION** | The estimated revenues by modeling the Project are shown in the graph below:



**INVESTMENTS** | **Mandatory Investments** include investments for rehabilitation, expansion, and conservation, which are mandatory, especially in the first 5 (five) years of the Concession term.

There are also **Planned Investments** in expanding the capacity to serve Users, concentrated after the first 5 (five) years of the Concession term, which are mandatory and may be reviewed pursuant to **Annex 3**.

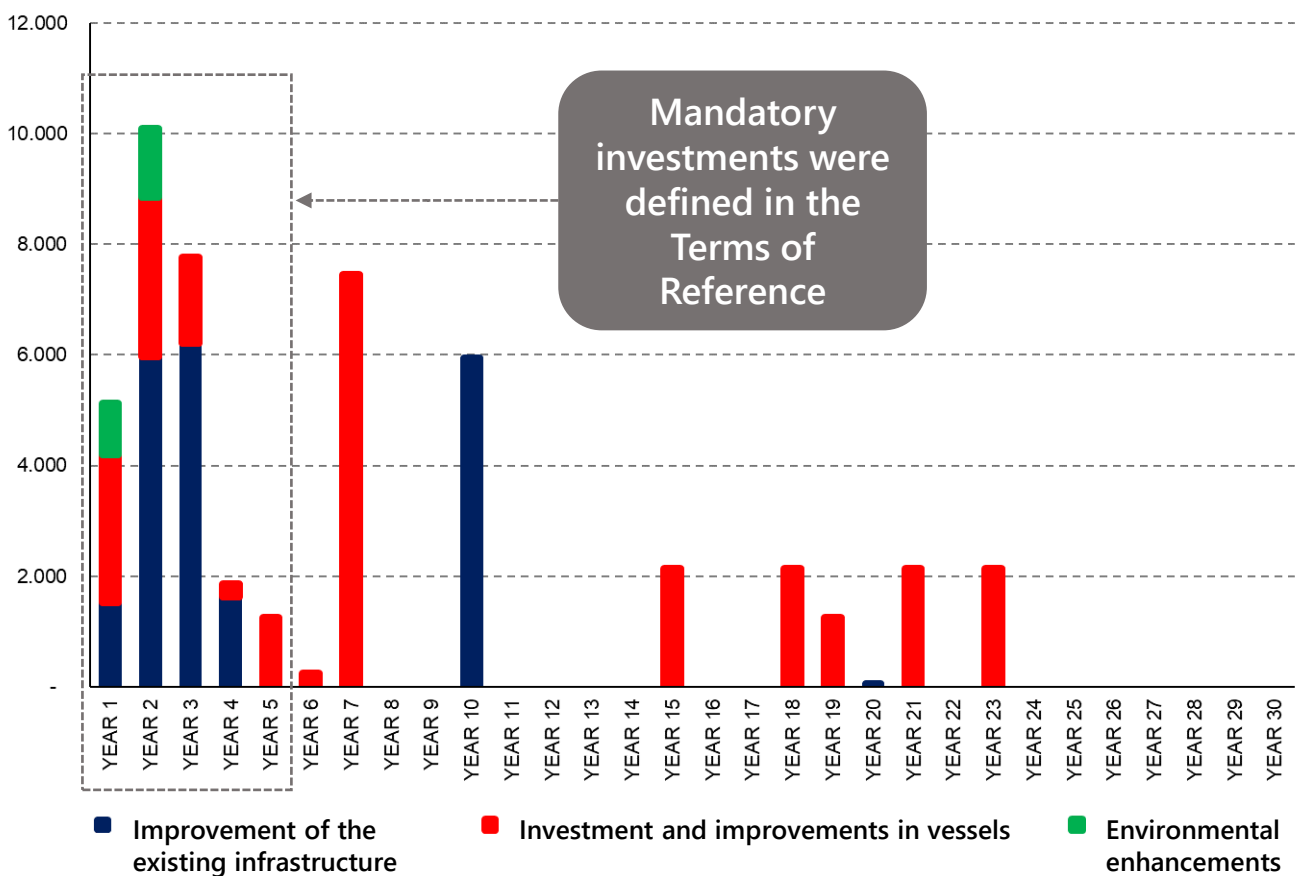
The **Contingent Investments** result from the increase in demand and are linked to the parameters in **Annex 7** in the scope of the Santos-Guarujá and Santos-Vicente de Carvalho crossings.

Finally, **Additional Investments** are those not originally provided for in the Contract and in **Annex 3**, subject to the provisions of **Clause 29.2 of the Concession Agreement**.

# EVTEA EXECUTIVE SUMMARY

WEIGHTED AVERAGE COST OF CAPITAL (WACC) | 8,25%

**CAPEX** | The total calculated capital investments needed to meet the demand requirements is R\$ 279.297.666,69 (US\$ 53,760,715.01).



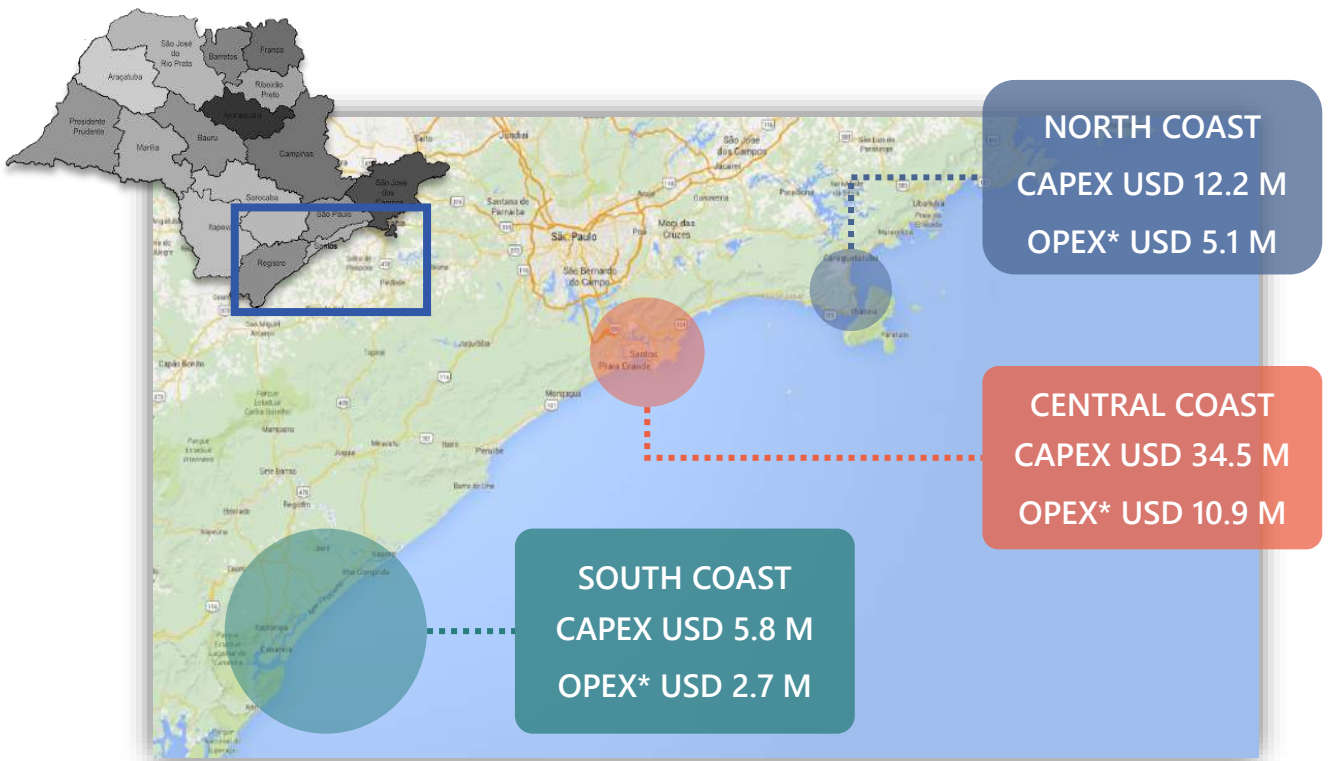
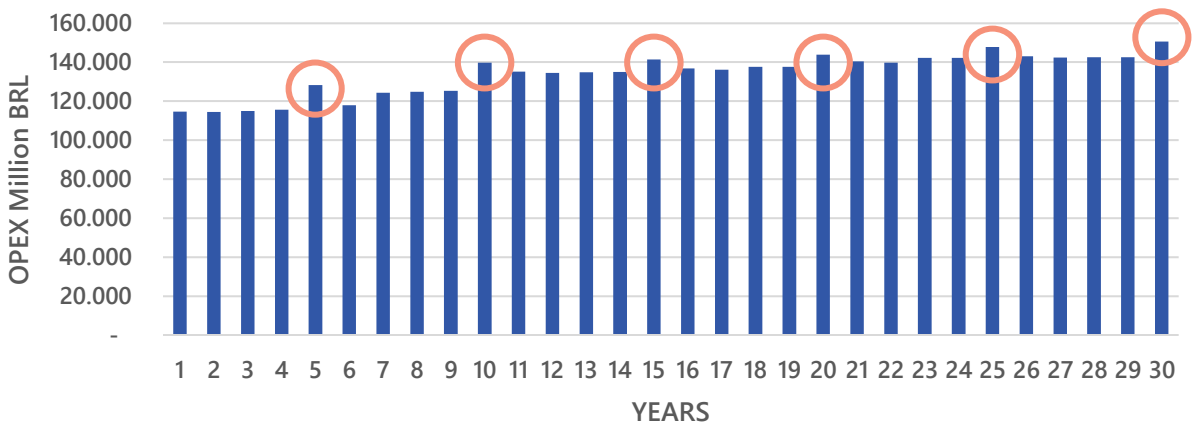
**LIKELY SCENARIO FORECASTS** | According to the forecasts, total vehicles on the Coastal Crossing System will increase from 5 million in 2021 to 7 million in 2028 before peaking at 8 million vehicles in 2050, the last full year of the concession.

**OPEX** | The total operating costs necessary to meet the demand requirements are R\$ 114 million (US\$ 21.9M) for the first year and R\$ 4.025 billion (US\$ 774.75M) over the 30-year concession period.

# EVTEA EXECUTIVE SUMMARY

## OPEX

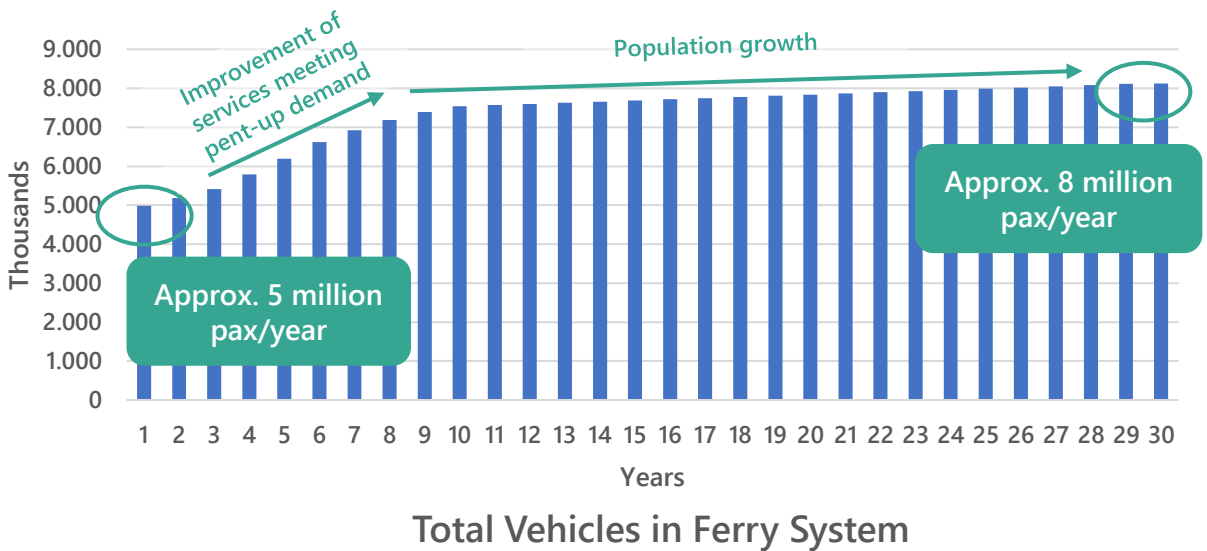
Renew of the Navigation Safety Certificate  
(Brazil's Navy – CSN renewed every 5 years)



**DEMAND** | According to the forecasts, demand will grow more strongly in the first 8 years of the concession, going from 5 million vehicles per year in year 1 to 7 million in year 8, resulting from the absorption of demand repressed by the Project. From year 9 on, the growth will be smoother and will be in line with population growth and GDP growth.

# EVTEA EXECUTIVE SUMMARY

## DEMAND



## PERFORMANCE INDICATORS

### PUNCTUALITY

#### Index of compliance with scheduled times:

It measures compliance with the timetable made available to users of the crossing system.

#### Index of compliance with scheduled intervals:

It measures the regularity of the intervals between departures and adherence to the intervals made available to users.

#### Index of compliance with scheduled trips:

It checks if the number of trips offered corresponds to the number of scheduled trips.



# EVTEA EXECUTIVE SUMMARY

## INDICADORES DE DESEMPENHO

### CONVENIENCE

#### **Fleet availability index:**

It measures the ratio between the fleet actually operating and the total fleet, at each crossing, allowing the monitoring of the fleet maintenance conditions.

#### **Service quality index (satisfaction survey):**

It measures the perception of service quality by users, from specific surveys.

#### **User response index:**

It measures the service to users' manifestations from the time the concessionaire replies to eventual questionings and suggestions.

#### **Demand fulfillment index (measurement of queues):**

It measures compliance with the maximum queue limits allowed for each crossing. It aims to guarantee users an adequate waiting time.

**ENVIRONMENTAL ASPECTS** | In relation to environmental aspects, it is important to stress that the environmental charges to be assumed by the future Concessionaire are the subject matter of Annex 4. Appendices 3 and 4 also contain, respectively, the guidelines to be observed by the Concessionaire to carry out the environmental regularization and the environmental liabilities existing in the operating sites of the Coastal Crossing System.

# PROJECT SCHEDULE

## GENERAL DATES

**Public Notice Publication:** November 30, 2021.

**Deadline for clarification:** March 9, 2022.

**Deadline for responses to the clarifications and subject objections to the public notice:** March 23, 2022.

**Deadline for judging objections:** March 29, 2022.

**End of technical visits:** March 29, 2022.

**Public Session:** March 30, 2022.

**Concession Agreement Signing (30 days after the auction):** April 29, 2022.

## CONDITIONS FOR SIGNING THE CONCESSION AGREEMENT

**Up to 12 business days before (April 13, 2022):**

- Three-name list of Independent Verifiers;
- Investment and assisted operation plans;
- Insurance and guarantee plans; and
- Submission of insurance letter.

**Up to 7 business days before (April 20, 2022):**

- Establishment of the SPE;
- Proof of provision of the performance bond;
- Proof of payment to B3;
- If an Investment Fund, proof of payment of the investment commitment signed between quota holders and the Fund;
- Indicate the agent who will represent it during the concession period;
- Proof to ARTESP of operating experience; and
- Proof of the relationship between the qualified professional and the bidder in the case of item 13.24.7.

# PROJECT SCHEDULE

## CONDITIONS FOR SIGNING THE CONCESSION AGREEMENT

**Up to 3 business days before (April 26, 2022):**

- Payment of the upfront fee.

**Until the signing the Concession Agreement (April 29, 2022):**

- Payment of capital stock in the minimum amount of R\$ 28.685.197,35 (US\$ 5,521,480.86).

## ASSISTED OPERATION

Assisted Operation, from signing of the contract (4/29/2022) and approval of the Assisted Operation Plan:

- **Stage 1-A:** Theoretical training (10 days);
- **Stage 1-B:** Onsite practical training. Operation by the Granting Authority assisted by the concessionaire (20 days);
- **Stage 2:** Operation by the concessionaire assisted by the Granting Authority (30 days).

## ASSISTED OPERATION ASSESSMENT

- Report of the Independent Verifier (20 days).
  - Assisted operation goals.
  - IVP performance indicators.
- Manifestation of the parties and ARTESP (5 days).
- Conclusion of the Independent Verifier on the assisted operation (5 days):
  - If positive: Issuance of the Initial Transfer Term and the start of the Concession Agreement term;
  - If negative: Extension of the assisted operation, start of Stage 2' (30 or 60 days, depending on the time of year).

# PROJECT SCHEDULE

## PERIOD OF OPERATION (30 YEARS AFTER INITIAL TRANSFER TERM)

- Making of the mandatory investments (up to 5 years);
- Implementation of the collection system (up to 120 days);
- Implementation of the automatic collection system (up to 12 months);
- Implementation of the data transmission system (up to 180 days);
- Payment of 50% of the Capital Stock (up to 12 months);
- Payment of 100% of the Capital Stock (up to 60 months); and
- Presentation of the Demobilization Plan (up to 3 years before the end of the contract).

## ACCESS TO DATA ROOM

### Link:

<https://www7.idealsvdr.com/v3/Travessias Litoraneas do Estado de Sao Paulo/#/documents?path=394263>

### Instructions

- 1) Interested parties must send a message to [dataroom.travessias@ARTESP.com.br](mailto:dataroom.travessias@ARTESP.com.br) with the subject "*Coastal Crossing System | Access to Data Room*".
- 2) The message **must contain** name, company, e-mail address of all people that want to have access to the platform.
- 3) Users will receive a **confirmation** e-mail to register **up to three business days** after solicitation.