

UNDERSECRETARIAT OF PARTNERSHIPS SÃO PAULO STATE GOVERNMENT

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SÃO PAULO AUTHORIZES FIRST BID OF THE 2nd SEMESTER

Even in the midst of the coronavirus' pandemic and all the restrictions imposed on global society, the Directing Council of the São Paulo State Privatization Program - CDPEP authorized the publication of the Bidding Notice for the Caminhos do Mar Concession. The Bidding Notice should be made public this month of September and brings us a lot of expectations.

Just to remind you, in the beginning of this year we reported and conducted all the Public Hearings and Consultations processes for this concession and finally we got the work done and made the first auction of this semester feasible – which is another good new related to the State's partnerships program.

The Caminhos do Mar Concession consists of a project to delegate ecotourism activities, visitation and public use of a state park with great potential for tourism and leisure. Caminhos do Mar, or the old Santos road, is one of those rare assets, as it is located between two of the largest metropolitan areas in the country (Greater São Paulo and the metropolitan region of Baixada Santos), which gives us the certainty of a great potential for visitation (confirmed in an independent study carried out by a renowned consultancy and made available to everyone since the Public Consultation). It is worth mentioning, of course, its exuberant natural beauty crossed by a historical road, which was the path taken by Dom Pedro when he climbed the mountain to declare Brazil's independence.

In addition, several historical monuments were built on this route, which will be restored and can be explored by the future concessionaire. All of this before we complete the bicentenary of our independence, in 2022. The park still has trails and other attractions and an exceptional view of the Serra do Mar.

From the technical perspective of our concession, there is also a lot to highlight, as the State of São Paulo, as always, innovates consistently and in line with the perspectives of the market, users and environmental protection. This is the launching of a project in line with the best practices in this segment, which still has a lot to develop in the State and in the country, but already shows great potential. For a still non-mature sector, we dedicate the entire maturity of the São Paulo program.

We emphasize that the concession has freedom of prices, which means that the Concessionaire will be able to set the ticket values and other prices within the park, always respecting a clear policy of half entry and gratuities designed to guarantee broad access to this rich environmental asset, increasing the quality of life of our citizens. The consequence is a contractual structure that reduces rebalancing discussions and avoids litigation. Other relevant advances were implemented throughout the documentation, making the management and

Latest news

Launching of the Social Partnerships Portal promotes transparency in partnerships with the third sector

The term Social Partnerships refers to instruments entered into, in partnership agreement, between the State Government and private non-profit organizations, members of the so-called third sector ("NGOs"). There are several expressions and rules provided by Brazilian legislation to treat these partnerships and entities. In the State of São Paulo, Social Partnerships are already well established. With 86 qualified Social Organizations (OSs), the State currently has 149 management contracts. The more than 600 collaboration agreements, sponsorship agreements and cooperation agreements with Civil Society Organizations (OSCs) also stand out and prove the experience of the State.

The Secretariat for Budget, Management and Projects works to give, within the entire Administration, more harmony, simplicity and transparency to the procedures for entering into and monitoring the execution of partnerships with the third sector. With these guidelines, the Undersecretariat of Partnerships developed the Social Partnerships Portal, which will bring together, in one place, the management contracts with OSs and the collaboration agreements or sponsorship and cooperation agreements with OSCs, accompanied by the respective annexes, additives and other documents.

In addition, the Portal is the environment for processing the procedures related to these partnerships - public call and accountability, for example -, guaranteed to be viewed by any interested party. With the launching of the Portal, everyone will be able to find out more about partnerships with the third sector of the State of São Paulo. Find out at:

<http://www.parceriasociais.sp.gov.br>

| Partnerships with OSs | Partnerships with OSCs |
|---------------------------|----------------------------------------------------|
| 149 Management agreements | 600 promotion contracts and cooperation agreements |

The Undersecretariat of Partnerships will be present at the Annual Leadership Forum on Global Strategic Infrastructure of CG/LA

The Executive Secretary of Partnerships, Gabriela Engler, was invited to present the main projects of the State Government of São Paulo at the Annual Forum of Leadership in Global Strategic Infrastructure of CG/LA. The event will be held in a virtual environment and brings together strategic stakeholders of the infrastructure sector, with the participation of more than 500 international executives, including project managers, investors and players from the entire supply chain of equipment, technologies and cutting-edge innovation. The event is scheduled to September 17th and will be held on GVIIP's platform, which will also allow private meetings between leaders and those interested in the projects.

Speakers of this edition include US Treasury Secretary Stephen Mnuchin and Hank Greenberg, founder of insurance company AIG. Representatives of the new US DFC (Company Development Corporation - Equity Finance) will also be present; the Blue Dot Network, with investments in emerging markets and the US Pension Funds with US \$ 30 trillion in assets under management. See more at: <https://www.cg-la.com/forums/gilf13>

More info at www.parcerias.sp.gov.br

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execution of the contract clearer, more accessible and avoiding the creation of unnecessary burdens and bureaucracies. Even so, we will pay great attention to the quality of the services provided and to reach the general goal of the concession of natural parks, such as local integration, protection of the environment, environmental education and other indicators to be monitored over the 30 years of the concession.

The project also foresees at least R \$ 5.5 million in investments by the concessionaire in the first 3 years of the contract (including the implementation of a zip line and the readjustment of trails), totaling at least R\$ 11 million during the concession term. These are the minimum values, but the scenario developed for modeling the project considers the realization of more investments, which can be dosed by the concessionaire, avoiding the plastering of the contract.

Another relevant factor is the support that the State will give in the restoration of monuments in honor of the centenary of the country's independence, once that, in addition to the presentation of all executive projects (minimizing risks and uncertainties in this activity), the projects have already been approved in the technical bodies and there will be financial support for its execution, as detailed in the contract and its annexes. All of this to prevent uncertain factors from inhibiting the appetite of investors in this great asset of the São Paulo park concession program.

Finally, it is worth noting that the bidding will be international, with documentation presented in Portuguese and English, judged by the highest grant amount to be presented and with great incentive for the broad participation of national and foreign stakeholders. We invite everyone to visit this park and participate in the bidding for the first concession to be put to bid in the 2nd half of 2020, which promises more projects to the market, encouraging the recovery of the economy and the development of the State.

Rodrigo Barata

Master in Public Law at USP

Resume of the Modeling



Duration: 30 years



Auction criteria: highest bid



Initial CAPEX: R\$ 5,5 mi *

*In the first 3 years

It is month of Public Hearing and Consultation for the concession of the Constância Vaz Guimarães Sports Complex

Approved by the Directing Council of the State Privatization Program (CDPED) on August 31, the Public Hearing and Consultation for the Constância Vaz Guimarães Sports Complex concession project will take place in virtual environment in September. As to consolidate São Paulo's vocation as a hub for events and entertainment, the preliminary approved model foresees the concession of an area of 92 thousand square meters for the construction of a multipurpose arena for 20 thousand people and investments in courts and spaces of free public enjoyment by a period of 35 years, with freedom to commercially explore several other activities. After the public hearing and consultation, last adjustments in the modeling will be made from the inputs obtained during this phase. It is expected that the bidding notice will be published in December this year.



In the picture, a view of the reference draft used as reference in the modeling

Villa Lobos, Cândido Portinari and Água Branca are part of a new urban park concession lot

Three of the main parks located in the city of São Paulo - Villa Lobos, Cândido Portinari and Água Branca Park - in the west part of the capital, entered the portfolio of privatization projects of the State of São Paulo. Together, the urban parks received, on average, more than 1 million visitors per month in 2019. The structuring of this lot consolidates learnings and experiences obtained in modeling concessions from other state parks such as Caminhos do Mar, Zoo and Botanic Garden and the Cantareira State Park. It reaffirms the importance of the participation of the private sector in the provision of modern and adequate equipment for sport, leisure and public enjoyment.



In the picture, a view of the Villa Lobos' Park

Market shows confidence in the modeling of Lines 8 and 9 in the latest market sounding

A report has been published on the Digital Partnership Platform with the inputs collected in the last round of market sounding for the CPTM Lines 8-Diamond and 9-Emerald concession. In dialogue with market players, key aspects of the project were discussed in order to improve the modeling and verify its adherence to the new economic circumstances. 29 interested companies participated, including funds, financiers, operators, construction companies and other relevant players of the sector, who contributed with suggestions and showed confidence regarding the adjustments made in the modeling to incorporate the recent changes in the scenario caused by the pandemic. Access the full report at:

<http://www.parcerias.sp.gov.br/parcerias/docs/MSL8L9%20-%20RelatorioVF.pdf>