

ANNEX 1
CONCESSION REGULATION

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INTERNATIONAL TENDER No 01/2019

CONCESSION TO PROVIDE PUBLIC SERVICES FOR OPERATION, MAINTENANCE AND MAKING OF INVESTMENTS REQUIRED FOR EXPLOITATION OF THE HIGHWAY SYSTEM CALLED THE PIRACICABA-PANORAMA LOT

DECREE NUMBER 64.334, JULY 19th, 2019.

This decree authorizes the opening of bidding for the onerous concession of public services for the operation of the “Piracicaba - Panorama” road system, and approves the respective regulation

JOÃO DORIA, Governor of the State of São Paulo, in the use of his legal attributions,

Considering the approval by the Directing Council of the State Privatization Program - CDPED, created by Law Number 9,361, of July 5, 1996, of the public service concession model for the exploration of the new highway concession lot of the State of São Paulo, on the occasion the 3rd Extraordinary Joint Meeting, concerning the 27th Extraordinary Meeting of the CDPED and the 17th Extraordinary Meeting of the Management Board of the State Public-Private Partnership Program - CGPPP, whose minutes were published in the Official Gazette of July 3, 2019;

Considering the implementation of new contractual mechanisms and technological innovations in the provision of services, such as the adoption of flexible tariffs for frequent users, project verification through a certifying company, use of the International Road Assessment Program methodology, use of a construction management system through the Building Information Model, among others;

Considering that the technical studies contemplate the accomplishment of approximately R\$ 14,000,000,000.00 (fourteen billion reais - brazilian currency) in investments in the lot, covering 62 (sixty-two) São Paulo municipalities, benefiting users with safer and more comfortable roads.

It was made the decree:

Article number 1 –The opening of bids, in the form of international competition, is authorized for the onerous concession of public services for the operation of the “Piracicaba - Panorama” road system, consisting of:

I - Highway SP 284, from kilometer 447 + 238 to 550 + 530;

II - Highway SP 293, from kilometer 0 + 100 to 24 + 850;

III - SP 294 Highway:

a) from the kilometer 347 + 030 to 451 + 700;

b) from the kilometer 458 + 000 to 685 + 300;

IV - Highway SP 331, from kilometer 165 + 000 to 206 + 532;

V - Highway SP 425, from kilometer 374 + 350 to 450 + 300;

VI - Highway SP 261, from kilometer 150 + 600 to 183 + 650;

VII - Highway SP 304:

a) from the kilometer 256 + 760 to 293 + 910;

b) from the kilometer 198 + 140 to 256 + 760;

REGULATORY AGENCY FOR DELEGATED PUBLIC TRANSPORT SERVICES OF THE STATE OF SÃO PAULO

c) from the kilometer 168 + 512 to 198 + 140;

VIII - Highway SP 308, from kilometer 173 + 622 to 194 + 200;

IX - Highway SP 197, from kilometer 0 to 20 + 020;

X - Highway SP 191, from kilometer 74 + 720 to 115 + 610;

XI - Highway SP 225, from kilometer 235 + 040 to 91 + 430;

XII - Highway SP 310, from kilometer 227 + 800 to 153 + 250;

XIII - Interconnections:

(a) SPI 194/308 from km 0 to 3 + 100;

(b) SPI 083/191, from km 0 to 10 + 000.

Sole paragraph – The “Lote Piracicaba - Panorama” road system covers the accesses to the highways and interconnections listed in this article.

Article number 2 – The bidding process referred to in article 1 of this decree will be carried out by the São Paulo State Delegated Public Transport Regulatory Agency - ARTESP, pursuant to item IV of article 4 of Complementary Law number 914, of January 4, 2002, and must comply with the following parameters:

I - the object of the concession shall cover the operation, maintenance and accomplishment of the investments necessary for the operation of the road system described in article 1 of this decree;

II - the concession term shall be 30 (thirty) years, from the date of transfer of the existing system to the concessionaire;

III - the toll rate will be set by the Granting Authority, as well as the criteria and the periodicity of its update and the conditions of its review, in compliance with the relevant legal and regulatory rules;

IV - the criterion for judging the bid will be the highest bid for the granting of the concession, observing the minimum amount and the payment method established in the public notice;

V - proposal guarantee requirement, as well as proof of minimum equity, as a criterion of economic and financial qualification;

VI - admission of participation in the event of business companies, investment funds and other legal entities, Brazilian or foreign, individually or in consortium, provided that the nature and object outlined in their articles of incorporation are compatible with the obligations and activities related to the concession, respecting the laws and other applicable regulations;

VII - compulsory incorporation of a Special Purpose Company - SPE, in the form of a corporation, in accordance with Brazilian law, for the sole purpose of exploiting the object of the concession;

VIII - admission of the offer, by the concessionaire, of credits and revenues arising from the contract to be signed, and other assets and rights, as a guarantee of financing obtained for the necessary investments, upon the consent of the Granting Authority, pursuant to the provisions of articles 29 and 30 of Law Number 7,835, of May 8, 1992, and the current legislation on the subject;

IX - admission of the exploration of associated projects, compatible with the object of the concession, as a source of ancillary revenue, under the terms provided for in the contract;

X - possibility that the concessionaire contracts with third parties, at its own risk, the execution of the extension and conservation services, pursuant to paragraphs 2 and 3 of article

Annex I – Lote Piracicaba – Panorama

9 of Law number. 7,835, of May 8, 1992.

Article number 3 – The attached Regulation of the Onerous Concession of Public Services for the Operation of the Road System, constituted by the state road network called “Lote Piracicaba - Panorama”, totaling approximately 1,273 km (one thousand two hundred seventy-three kilometers) is hereby approved.

Article number 4 – This decree shall enter into force on the date of its publication, producing effects with respect to the regulation referred to in article 3, from the transfer of the existing system to the concessionaire.

Palácio dos Bandeirantes, July 19th, 2019.

JOÃO DORIA

ANNEX

REGULATIONS ON THE CONCESSION TO PROVIDE PUBLIC SERVICES FOR THE EXPLOITATION OF THE HIGHWAY SYSTEM CALLED THE PIRACICABA – PANORAMA LOT

CHAPTER I

Purpose

Article number 1 – The purpose of this regulation is to regulate the exploitation, maintenance, conservation and necessary investments through the concession of the road system that covers the municipalities of Adamantina, Águas de São Pedro, Alvinlândia, Assis, Bariri, Bauru, Boraceia, Brotas, Cabralia Paulista, Caiabu, Charqueada, Cordeirópolis, Corumbataí, Dois Córregos, Dracena, Duartina, Florida Paulista, Gália, Garça, Herculândia, Iacri, Indiana, Inúbia Paulista, Ipeúna, Irapuru, Itapuá, Itirapina, Jaú, João Ramalho, Junqueirópolis, Lucélia, Lupércio, Mariápolis, Marília, Martinópolis, Oriente, Oswaldo Cruz, Pacaembu, Panorama, Paraguaçu Paulista, Parapuã, Paulicéia, Paulópolis, Pederneiras, Piracicaba, Piratininga, Pompéia, Presidente Prudente, Quatá, Quintana, Rancharia, Rio Claro, Sagres, Salmourão, Santa Gertrudes, Santa Maria da Serra, Santa Mercedes, São Carlos, São Pedro, Torrinha, Tupã, Tupi Paulista and Vera Cruz, totaling approximately 1,273 km (one thousand two hundred seventy-three kilometers), corresponding to the “Lote Piracicaba- Panorama” of the State Concessions Program, including its execution, management and supervision.

Article number 2 – The road system, object of the concession, consists of the set of running lanes, their respective domain lanes and the buildings, installations and equipment contained therein, comprising:

I – Roads:

- a) SP 284 from the km 447 + 238 to 550 + 530;
- b) SP 293 from the kilometer 0 + 100 to 24 + 850;
- c) SP 294 from the km 347 + 030 to 451 + 700 and km 458 + 000 to 685 + 300;
- d) SP 331 from the kilometer 165 + 000 to 206 + 532;
- e) SP 425 from the kilometer 374 + 350 to 450 + 300;
- f) SP 261 from the kilometer 150 + 600 to 183 + 650;
- g) SP 304 from the km 256 + 760 to 293 + 910, km 198 + 140 to 256 + 760 and km 168 + 512 to 198 + 140;
- h) SP 308 from the kilometer 173 + 622 to 194 + 200;
- (i) SP 197 from kilometer 0 to 20 + 020;
- j) SP 191 from kilometer 74 + 720 to 115 + 610;

k) SP 225 from the kilometer 235 + 040 to 91 + 430;

l) SP 310 from the km 227 + 800 to 153 + 250;

II - Interconnections:

a) SPI 194/308 from the km 0 to 3 + 100; and

b) SPI 083/191 from km 0 to 10 + 000.

Sole paragraph– The “Lote Piracicaba - Panorama” road system covers the accesses to the highways and interconnections listed in this article.

Article number 3 – The road system described in article 2 of this regulation will incorporate all the extensions to be implemented during the concession period, which will become part of its domain.

CHAPTER NUMBER II

Regarding the Services Provided in the Road System

Article number 4 –Services and other operating activities to be performed on the road system are classified as:

I - delegates;

II - non-delegates;

III - Complementary

Article number 5 –The following are delegated services under the concessionaire's specific competence:

I – services corresponding to operational functions, comprising in particular:

a) operation of integrated traffic supervision and control system;

b) operation of the toll collection system, including the collection of tolls, either manually or through automatic and semi-automatic payment, vehicle traffic control and financial and accounting control of the collected amounts;

c) operation of the collection system based on the concept of free flow and, when so determined by the State, the collection of tariffs that reflect the mileage traveled by users;

d) operation of the collection system based on the flexible tariff concept, as provided for in the Concession Contract;

e) operation of the collection system based on the possibility of modulation of the tariff per hour or per day, as provided for in the Concession Contract;

f) operation of stationary and mobile static and dynamic vehicle weighing stations, including actual weighing, including by means of a moving weighing system;

g) provision of support to users, including, but not limited to, first aid and medical care for traffic accident victims, with possible removal to hospitals; mechanical service to damaged vehicles; squealing; runway clearance; 100% (one hundred percent) monitoring of the granted road system, with the implementation of emergency identification systems, either automatically or through telephone service and guidance and information to users;

h) lane, domain and remaining areas inspection, common and emergency signaling and operational support to other services;

i) elaboration and implementation of extraordinary operational schemes, including special operations for peak service, traffic diversions for the execution of works, special operations for the transport of exceptional and dangerous cargo and special schemes for sporting and other events, in the system. by road;

j) elaboration and implementation of operational plans and schemes to respond to emergency situations, such as fire, fog, accidents with dangerous products, landslides, floods and others that may directly affect the flow and safety of traffic or cause environmental consequences;

k) monitoring of traffic conditions on the highway;

l) provision of information for the integration of the ARTESP Information Control Center, as well as the implementation of digital management, monitoring and follow-up systems, ensuring that the data and information generated are accessible by ARTESP;

m) maintenance and operation of electronic information exchange system with the user via data network;

n) adequacy to service levels and performance indicators;

o) availability and maintenance of ombudsman and systems and channels of communication and relationship with users;

p) elaboration and implementation, throughout the concession period, of measures to reduce or offset the emission or production of greenhouse gases in the highway system operation services, as provided for in the Concession Contract;

II – services corresponding to conservation functions, comprising in particular:

a) routine conservation of the elements that make up the road system including: pavement, drainage, tunnels, special works of art, signage, road safety devices, plant cover and other domain elements, control and automation systems, telecommunication systems, building installations, operational and support yards, electrification systems and lighting systems;

b) special preservation of all elements that make up the road system, listed in sub-paragraph "a" of this item, aiming at the preservation of the original project, including repairing services, concrete pavement restoration, restoration of special works of art, replacement of vertical and horizontal signaling, replacement of control equipment, collection, communication and automation, refurbishment of facilities and the other similar issues;

c) emergency conservation in order to immediately restore, rebuild or restore normal conditions, a section of highway that has been obstructed, as well as facilities and equipment and other elements of the highway damaged by any cause.

particular: **III** – services corresponding to extension functions, including in

in the invitation to bid;

a) the expansion works, under the terms and conditions to be defined

(b) addressing interference with existing and future infrastructure and utilities systems, especially road systems and establishing access to transport systems;

c) implementation or adaptation to service levels or safety standards, accesses, intersections and safety devices throughout the concession period;

d) implementation of marginals, reversible lanes, additional lanes and acceleration and deceleration lanes, especially those necessary to meet increased demand or the need for traffic control;

(e) retrofitting of a weight control system for cargo vehicles, including dynamic weighing and mobile weighing scales, comprising moving weighing systems;

f) implementation and retrofitting of facilities for use in traffic and transportation inspection and policing activities;

g) implementation and retrofitting of facilities and equipment for use in the operation activities of integrated traffic supervision and control system;

h) implementation and retrofitting of toll plazas and electronic toll system, considering any necessary adaptations to comply with new programs and tariff collection policies defined by the Granting Authority, including for the purposes of implementing the free flow and flexible tariff system;

i) implementation of a structure for direct communication with the user, a 100% (one hundred percent) monitoring system for the granted road system and an emergency care system;

j) implementation of an electronic information exchange system with the user via the data network, as provided for in the invitation to bid;

k) implementation of safety devices;

l) implementation of landscaping;

m) implementation of digital project and construction management systems and other digital systems specified in the concession contract, providing sharing with ARTESP of data, information and documents related to the object of the concession;

n) installation of a digital platform that will be available for unrestricted access by the company, through which interested parties may suggest improvements or address other issues pertinent to ordinary revisions, with the concessionaire managing these demands.

Article number 6 – Non-delegated services are those of exclusive competence of the Government, not included in the object of the concession, such as:

I - ostensive, preventive and repressive traffic policing;

II - supervision and assessment of infractions related to:

- a) vehicle;
- b) documentation;
- c) driver;
- d) traffic, parking and stopping rules;
- e) overweight;

III - Issuance of grants, under the terms of the law, referring to:

- a) collective road, international, interstate and intercity transportation services;
- b) urban, intercity, suburban, metropolitan or municipal public transport services;
- (c) transport services for rural workers or persons in cargo vehicles;
- d) events on the highway;
- e) exceptional cargo and hazardous cargo transportation services.

IV – declaration of public utility or social interest for expropriation purposes.

§1º – It will depend on authorization of the Granting Authority, at the concessionaire's request, as regulated by the current rules:

- 1. access to neighboring properties to the road system granted;
- 2. the occupation of domain range.

§2º – The bidding public notice and the concession contract may specify other activities that will depend on the authorization of the Granting Authority or prior consent of ARTESP so that they may be exploited by the concessionaire.

Article number 7 – Complementary services are those considered convenient, but not essential, to maintain adequate service throughout the road system, to be provided directly by the concessionaire or by third parties hired by it, with the prior approval of ARTESP in any event.

Article numbr 8 – For the execution of delegated services, especially with regard to the operation of integrated traffic supervision and control system, toll collection and control, vehicle weight control system and communication systems, the concessionaire shall implement technologically updated systems that allow full automation and greater security of operations, as well as the sharing of data, information and documents that allow the proper supervision of services by ARTESP.

Sole paragraph – The control and automation systems referred to in this article must allow full application of non-delegated services, especially with regard to traffic enforcement.

CHAPTER III

Concessionaire's Responsibilities

Article number 9 – The concessionaire's duties, throughout the concession period:

I - to activate the resources at their disposal in order to ensure the flow of traffic, ensuring users receive adequate service;

II - to submit to ARTESP approval the alternative circulation scheme that it intends to adopt when carrying out works or operations that require the interruption of lanes or lanes of the road system;

III - to adequately disclose, to the general public and to the user in particular, including through automatic panels installed on the highway system and advertisements in an electronic information exchange system via the data network, the occurrence of exceptional situations, the adoption of schemes special operations and works on the road system;

IV - to adequately disclose to the user, including by means of automatic panels installed on the highway system and advertisements in an electronic information exchange system via the data network, any changes in the tariff rates practiced, at least 48 (forty eight) in advance) hours of actual change;

V - to implement the safety recommendations established by ARTESP and carry out 100% (one hundred percent) monitoring of the road system through adequate systems, including video and automatic emergency identification systems, as well as keep human resources available; materials for the elaboration and implementation of emergency response structures;

VI - to ensure the prevention and extinction of fire occurrences, including in areas that border the highway system domain;

VII - to implement an accident prevention system in case of fog in the road system;

VIII - to support the inspection and policing activities;

IX - to monitor and activate the actions of public entities, such as civil and military police, fire brigades, environmental agencies, federal, state and municipal agencies, in the road system, whenever necessary;

X - to perform extension and enhancement services designed to match the capacity of the infrastructure to the demand and increase the safety and convenience of users;

XI - to perform all works, services, controls and activities related to the concession, with care, diligence and economy, using the best technique applicable to each of the tasks performed and obeying the norms, standards and specifications established by ARTESP, taking the necessary measures to guarantee of the patrimony of the road system, including its domain domain and accesses;

XII - to ensure the protection of natural resources and ecosystems;

XIII - to perform all necessary procedures for obtaining licenses required by environmental protection agents and comply with all environmental measures and programs, observing the relevant environmental legislation, in particular Federal Law Number 6,938 of August 31, 1981 and Law 9,509, March 20, 1997;

XIV - to provide zealously the delegated public services and support the provision of non-delegated services in the road system;

XV - to obey the measures determined by the traffic authorities, in case of accidents or abnormal situations to the routine;

XVI - to answer for the correct behavior and efficiency of its employees and agents, as well as that of their contractors, ensuring that they are registered with the competent authorities, wearing an indicative badge of their functions and being instructed to support the action of the authority;

XVII - to comply with legal requirements related to Occupational Safety and Medicine;

XVIII - to redo immediately the services under its responsibility, performed with defects or defects;

XIX - to elaborate functional and executive projects and perform actions related to environmental impact;

XX - to maintain, at appropriate points, near the toll plazas, indicative signs of the toll charges;

XXI - to provide ARTESP with any and all documents and information pertinent to the object of the concession, including providing access to the digital systems to be implemented by the concessionaire to carry out the operational activities described in the concession contract, as well as allowing the inspection to carry out audits of your accounts;

XXII - to keep ARTESP informed about any and all non-routine occurrences;

XXIII - to render accounts of the management of services to ARTESP and users, as defined in the contract;

XXIV - to answer to ARTESP and third parties for all acts and events within its competence;

XXV - keep up to date the inventory and registration of assets linked to the concession, in addition to providing a survey of georeferenced video registration, at intervals and in accordance with the rules established in the contract;

XXVI - to be responsible for any misconduct and lack of obligations regarding the obligations arising from the concession, including its subcontractors, under the terms established in the concession contract;

XXVII - to implement tolls with automatic and semi-automatic collection and adapt their collection systems to new programs and tariff collection policies defined by the Granting Authority;

XXVIII – to provide information, as established in the contract, for integration with the ARTESP Information Control Center and other specified digital systems to support ARTESP's monitoring and surveillance activities;

XXIX - to maintain in full operation, and within the established standards, the relationship channels with users, as well as the ombudsman services, provided for in rules applicable to the species;

XXX - to comply with the rules established in the concession contract and current rules regarding the receipt of the road network in Lot 08 of the São Paulo State Highway Concession Program, object of Concession Contract number 008 / CR / 1998, signed with the concessionaire CENTROVIAS SISTEMAS RODOVIÁRIOS S.A;

XXXI - to observe the rules established in the contract and rules issued by ARTESP regarding the return of the road system or any transfer to the concessionaire that succeeds it.

CHAPTER IV

Regarding the Surveillance of Granted Services, Administrative Police Power and Penalties

Article number 10 – All services provided for in this Regulation are subject to supervision and monitoring.

§ 1º – The quality, continuity, regularity, efficiency, timeliness, generality, safety and courtesy of service provision, and the affordability of the tariffs, evaluation factors that define the appropriate level of service, as provided by Federal Law Number 8,987, of February 13 1995 shall be the basis for the supervision of the services referred to in this Article.

§ 2º – For the purposes of the provisions of this article, ARTESP shall establish technical standards, indicators and parameters for quantification and measurement of the factors referred to in paragraph 1 of this article.

Article number 11 – The Granting Authority shall exercise, in the road system referred to in this Regulation, the power of administrative police, including the power to impose fines on violators of applicable regulations.

Article number 12 – The concessionaire will be subject to ARTESP supervision, which may count on the cooperation of users.

§ 1º – In the exercise of the inspection, ARTESP will have access to data related to the concessionaire's administration, accounting, technical, economic and financial resources, including electronically and in real time.

§ 2º – The inspection of the service will be carried out by ARTESP, which may contract inspection support services, subject to the provisions of State Supplementary Law Number 914 of January 14, 2002 and subsequent amendments.

CHAPTER V

Regarding Ostensive, Preventive and Repressive Policing

Article number 13 – The police activities of ostensive, preventive and repressive character, and others assigned by law to the Military Police, will be exercised, in the highway system dealt with in this regulation, by the Military Highway Police.

CHAPTER VI

Regarding Toll Charges and Revenue

Article number 14 – Items that constitute revenues of the concessionaire, as of the dates provided in the public notice:

I - toll charges;

II - income from investments in the financial market;

III - collection of services provided to the user, except services expressly listed in article 5, item I, item "g" of these regulations;

IV - price collection for advertising not prohibited by law;

V - amounts received for insurance and for monetary penalties provided for in the contracts entered into between the concessionaire and third parties, as well as resulting from the execution of guarantees offered under the contracts entered into with third parties;

VI - charge for access implementation and maintenance services;

VII - charges arising from the use of the domain range, subject to current regulations;

VIII - charges arising from the provision of complementary services;

IX - others provided for in the public notice and the respective contract, or that may be regulated by the Granting Authority, or proposed by the concessionaire, provided that they are previously authorized by ARTESP, subject to the rules for revenue sharing.

Article number 15 – Toll charges and ancillary revenues arising from non-delegated services, as well as the criteria and frequency of readjustment, will be established in the public notice, in compliance with the relevant legal and regulatory rules.

CHAPTER VII

Regarding Users Rights and Obligations

Article number 16 – The rights and obligations of users are:

I - to receive adequate service;

II - to pay tolls;

III - to receive from the Granting Authority, ARTESP and the concessionaire information to defend individual or collective interests;

IV - to obtain and use the service, with freedom of choice, observing the norms of the Public Power;

V - to inform ARTESP and the concessionaire of any irregularities of their knowledge concerning the service provided;

VI - to communicate to the competent authorities' illegal acts practiced by the concessionaire in the rendering of the service;

VII - to contribute to the preservation of the good condition of public goods through which the services are provided.

Article number 17 – ARTESP and the concessionaire will encourage community participation in matters of interest to the concession road system.

CHAPTER VIII

Regarding the General Provisions

Article 18 – The Granting Authority shall, upon proposal of the

concessionaire, provide the measures for the declaration of public utility of the goods and areas necessary for the expansion of the road system, and the concessionaire shall be responsible for the promotion of the expropriations and administrative easements, as well as for the respective indemnities, in the form authorized by the Government.

Article number 19 – When the concession is terminated, all reversible assets, rights and privileges related to the operation of the highway system will be returned to the Granting Authority, which were transferred to or implemented by the concessionaire within the scope of the concession, as provided by law and in the contract.

Sole paragraph– With the advent of the end of the term of the concession contract, the reversible assets, rights and privileges referred to in the caption of this article may be transferred to the concessionaire who may assume the provision of the services referred to in this regulation, the procedures, terms, formalities and obligations established in the contract are observed.

Article number 20 –Pursuant to the rules of administrative organization in force in the State of São Paulo, it is incumbent upon the Secretariat of Logistics and Transport to issue complementary rules necessary for the implementation of this regulation.

Article number 21 – ARTESP will enter into the concession contract, in compliance with the provisions of article 29 of Complementary Law number 914, of January 14, 2002, and will be responsible for disciplining and overseeing ancillary activities, complementary or arising from delegated services.