

PUBLIC INVITATION NOTICE

No. 02/2017

PROCEDURE FOR EXPRESSION OF INTEREST - EOI

NEW FERROESTE PROJECT

(DOURADOS/MS – PARANAGUÁ/PR – PONTAL DO PARANÁ/PR)

(Portuguese version is the official version, any divergence, the official version should be consulted)

GOVERNO DO ESTADO DO PARANÁ
CONSELHO GESTOR DE CONCESSÕES

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1. PREFACE

The **STATE OF PARANÁ**, through the **STATE SECRETARIAT OF INFRASTRUCTURE** (“SEIL”), the **RAILWAY STATION OF PARANÁ OESTE S.A.** (“FERROESTE”), and the **STATE SECRETARIAT OF PLANNING AND GENERAL COORDINATION** (“SEPL”), through the **COORDINATION OF CONCESSIONS AND PARTNERSHIPS** (“CCP”), presents the guidelines for the participation of interested parties in the Procedure for Expression of Interest (“EOI”), in accordance with the provisions of Article 21 of Federal Law nº 8,987 of February 13th, 1995; of Article 31 of Federal Law nº 9,074 of July 7th, 1995; of Articles 9, 10 and 11 of Law nº 17,046 of January 11th, 2012; as regulated by Decree nº 6,823 of December 21th, 2012; and under the provisions set in this document and its attachments.

2. OBJECT

The object of this **NOTICE Nº 02/2017-CGC** is to guide the participation of interested persons in the **EOI** of the **NEW FERROESTE** (“**PROJECT**”), to be used in the structuring of competitive biddings including:

- (i) **STATE CONCESSION** for the implementation, operation, management, and maintenance of Railway Freight Transportation, between the city of **GUARAPUAVA** and the **PORT OF PARANÁGUÁ / PONTAL DO PARANÁ**, in the state of **PARANÁ** (**SEGMENT 1**); and
- (ii) **FEDERAL SUBCONCESSION** for the implementation, operation, management, and maintenance of Railway Freight Transportation, between the city of **DOURADOS**, in the state of **MATO GROSSO DO SUL**, and the city of **GUARAPUAVA**, in the state of **PARANÁ** (**SEGMENT 2**).

2.2. Through this **EOI**, the **STATE OF PARANÁ** expects to receive the studies, research, surveys, technical studies, and economic, financial, and environmental information (hereinafter, **STUDIES**) necessary to structure the **PROJECT**, including, at least, the following products:

2.2.1. Book 1 – Technical-Operational and Environmental studies;

2.2.2. Book 2 – Economic-Financial and Externality studies.

2.3. The **PROPONENTS** shall participate in the **EOI** for the entire rail segment of the **PROJECT**, between the city of Dourados, in the state of Mato Grosso do Sul, and the coast of Paraná (including the Port of Paranaguá and a branch towards the future Pontal do Paraná Port Complex). **FEASIBILITY STUDIES** must be delivered

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appropriately split as to enable the structuring of the 02 (two) competitive biddings. Therefore, Books 01 and 02 must be delivered for the structuring of the State Concession (**SEGMENT 1**) and different Books 01 and 02 must be delivered for the structuring of the Federal Subconcession (**SEGMENT 2**).

2.4. The **TERMS OF REFERENCE**, containing the details of the activities to be realized, as well as the other rules inherent to the **EOI**, is attached to this **NOTICE**.

3. JUSTIFICATION

3.1. This **NOTICE** is based on the conclusions of the Working Group, established through Resolution nº 04/2016 from the Concession Management Council of the State of Paraná (“**CGC**”), and validated by the studies carried out by the Working Group of the State Export Corridor (GT/CE), constituted by Resolution nº 003/2016-**SEPL**, concerning the freight system, presented in the documents registered under protocol No. 14.304.169-7.

3.2. This **NOTICE** was authorized by the **CGC** in accordance with the written records of its 14th meeting, held on August 22nd, 2017.

3.3. The **PROJECT** seeks to meet the demand for freight transportation in the Paraná Western Region and Mato Grosso do Sul, through the railway modal, providing access to the Port of Paranaguá and facilitating the export of the production, which is currently of approximately 14 (fourteen) million tons, as well as the imports of products, which suffer with the deficiencies in the transport infrastructure.

3.4. Considering the agricultural production capacity of the Paraná and Mato Grosso do Sul and the high rate at which these products are exported, especially as regards the four main crops (corn, soybean, wheat, and sugar cane), there is a need for an infrastructure with efficiency in freight transportation as a fundamental way to increase competitiveness and the consequent growth of the two States.

3.5. In addition to the exports from State of Paraná, the Port of Paranaguá also handles freight from other states such as Mato Grosso, Mato Grosso do Sul, Goiás, São Paulo, and Santa Catarina, in addition to freight coming from neighboring countries.

3.6. Only a small part (approximately 20%) of this production reaches the Port by rail and, according to National Land Transportation Agency (**ANTT**), the existing network is close to its maximum capacity, especially at the bottlenecks identified in the Serra da Esperança (between Guarapuava and Ponta Grossa) and in the Serra do Mar (between Curitiba and Paranaguá).

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3.7. Therefore, the **PROJECT** should propose alternative solutions that will eliminate the current bottlenecks and increase the load capacity through:

3.7.1. The deployment of a new railway and its operationalization, in a route alternative to the existing one between the city of Guarapuava and the Port of Paranaguá, including a branch extending access to the future port complex in Pontal do Paraná;

3.7.2. The deployment and operation of a new railway between the city of Dourados and Cascavel;

3.7.3. The improvements and the operation of existing rail segment between the city of Cascavel and Guarapuava;

3.7.4. The interoperability between the 02 (two) segments to be implemented, as well as with the existing grid;

3.7.5. The definition of appropriate usage percentages that provide the right-of-way for independent operators.

3.8. Considering the need for the freight to be transported, by rail, from the west of the State of Paraná, as well as from Mato Grosso do Sul, to the Port of Paranaguá, it is necessary to perform the **FEASIBILITY STUDIES** of the entire **PROJECT**.

4. CONDITIONS FOR PARTICIPATION

4.1. Individuals or legal entities, national or foreign, public or private, individually or in groups, that wish to present the **FEASIBILITY STUDIES** that are the object of this **NOTICE** may participate in the **EOI**.

4.1.1. In case of participation of legal entities as a group, the leading company, which shall represent the other members of the group for all intents and purposes, shall be indicated.

4.1.2. There is no need of establishing formal bond between the members of a participating group.

4.2. Requests for authorization to to present the **FEASIBILITY STUDIES** in the **EOI** should be addressed to the **CONSELHO GESTOR DE CONCESSÕES (CGC)**, at the following address: Palacio das Araucarias, Rua Jacy Loureiro de Campos, s/nº, 4o andar, Ala D, Centro Cívico, Curitiba - Paraná.

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4.3. The **CGC** shall grant an authorization to install the **EOI** procedures, through a Resolution, according to the criteria established in this instrument.

4.4. The deadline for receiving the application is **60 (sixty) days**, counted from the date of publication of the summary of this **NOTICE No. 02/2017-CGC** on the State Official Gazette, as well as on the following website: <http://www.casacivil.pr.gov.br>, under the “CONSELHO GESTOR DE CONCESSÕES”, banner, after the link named “Projetos em Fase de Elaboração”, under **NEW FERROESTE**.

4.4.1. If necessary, through a request well motivated from **CCP**, the **CGC** may extend the deadline mentioned in **4.4**.

5. CONTENTS OF THE APPLICATION

5.1. The request for the authorization shall contain at least the following:

5.1.1. An application for the authorization to carry out **FEASIBILITY STUDIES**, the object of this instrument, addressed to the **CGC**;

5.1.2. The complete qualifications of the **PROPONENT**, especially their name, identification (role, profession, or branch of activity), physical and electronic addresses, telephone numbers, registration in the Individual Taxpayer's Registry (CPF) or in the National Registry of Legal Entities (CNPJ), in order to enable the subsequent sending of any notifications;

5.1.3. A statement of experience of the **PROPONENT** in carrying out the studies, projects, surveys or investigations that are the object of this **EOI**;

5.1.4. Proof that the signatory of the request is legally authorized to act in name of the representative;

5.1.5. The full name of the professional responsible for coordinating the studies, their position, their profession or branch of activity, and their physical and electronic addresses;

5.1.6. The indication of the amount of requested restitution, with information and parameters used for its definition, considering the provisions in item **9.5** of this **NOTICE**;

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5.1.7. A Work Plan, containing the details of the activities that the **PROPONENT** intends to perform, considering the scope of the **PROJECT** (represented by maps, sketches, graphs, etc.);

5.1.8. A schedule or timetable indicating the deadlines of each step, as well as the final date for the conclusion and delivery of **FEASIBILITY STUDIES**.

5.2. The **CCP** may request, from the **PROPONENTS**, additional information, in order to rectify or supplement their manifestation; and may also consider, exclude or accept, partially or totally, the information and suggestions received, as well as request changes to the delivery schedule of the **FEASIBILITY STUDIES**.

6. AUTHORIZATION CRITERIA FOR THE PROPOSALS

6.1. The authorization of the **CGC** is subject to the **PROPONENT'S** adherence to the following criteria:

6.1.1. Delivery of the request for authorization along with all necessary documents within the deadline established in clause **4.4** above;

6.1.2. Presentation and coherence of the Work Plan and of the Schedule (see clauses **5.1.7** and **5.1.8** above), containing the end dates of each stage and the final date for delivery of the **FEASIBILITY STUDIES**, observing the final deadline established in clause **8.1** of the present document;

6.1.3. Indication of the amount of restitution sought, which must necessarily be equal to or less than the maximum amount of restitution established in clause **9.5** of this **NOTICE**, along with information concerning and the parameters used for the definition of the amount of restitution;

6.2. The description of the activities and of the proposed schedule will be used for the evaluation mentioned in clause **6.1.2** above, as well as for the planning of the subsequent activities of the **FEASIBILITY STUDIES**.

6.2.1. During the **EOI**, there can be changes in the activities and schedule presented, upon a justified decision of the **CCP**, with the objective of obtaining **FEASIBILITY STUDIES** more adequate to the **PROJECT**.

7. CONCERNING THE AUTHORIZATION

7.1. At any stage of the **EOI**, the **PROPONENTS** may decide to create a group in order to present the **FEASIBILITY STUDIES** together, indicating the companies responsible for the dialogue with the **STATE OF PARANÁ** and the form and proportion of a potential restitution.

7.2. The participation of one company in more than one **EOI** that derives from this **NOTICE** shall not be allowed. This restriction applies to companies controlled by, in control of, or under common control of any other company that participates, individually or jointly with more companies, of the present procedure.

7.3. The contracting of third parties shall be allowed by the authorized person for the execution of **FEASIBILITY STUDIES** in all its aspects, without prejudice to the responsibilities established in this **NOTICE**.

7.4. The authorization shall be personal and non-transferable, considering the provisions of clause **7.1** above.

7.5. Said authorization will be awarded, without exclusivity, and more than one **PROponent** may express their interest and obtain the same authorization.

7.6. The participation in **EOI** does not imply any type of advantage or privilege to the **PROPONENTS** in future competitive bidding processes related to the object of this instrument.

7.7. The elaboration of the **EOI** does not necessarily imply the opening of a competitive bidding procedure for the implementation of the object of the **PROJECT**. The potential execution of a bidding procedure is not conditioned to the use of the **FEASIBILITY STUDIES** obtained through the **EOI**.

7.8. The participation in **EOI** does not prevent the direct or indirect participation of the authors or sponsors of **FEASIBILITY STUDIES** in the resulting competitive bidding process or in the execution of the works or services derived therefrom.

7.9. The authorization to carry out the **FEASIBILITY STUDIES** does not imply, in any case, any co-responsibility of the **STATE OF PARANÁ** in acts practiced by the **PROPONENTS** authorized.

7.10. The authorizations may be revoked, annulled, or cancelled by the **CGC**, in the terms of Article 11 of Decree nº 6,823/2012, and **CCP** must notify the **PROponent** of this decision in writing, by electronic means or by mail, with delivery notification.

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7.10.1. Extinguished authorizations, considering the clause **7.10** above, do not create any rights to reimbursements of the amounts spent in the **FEASIBILITY STUDIES**.

7.11. In case of noncompliance with the terms of the authorization, the **PROPONENT** will be notified by electronic correspondence so that, within 10 (ten) days, the situation is regularized, otherwise the authorization will be canceled.

7.12. The participation of the interested parties in the **EOI** shall result in the cession of copyright on information, surveys, studies, projects and other documents presented to the **STATE OF PARANÁ**, if these resources are effectively used in any bidding procedures.

8. PRESENTATION OF THE FEASIBILITY STUDIES

8.1. The authorized **PROPONENTS** will have 270 (two hundred and seventy) days, counting from the date of publication of the authorization on www.casacivil.pr.gov.br, under the “**CONSELHO GESTOR DE CONCESSÕES**” banner, after the “Projeto em Fase de Elaboração” – **NEW FERROESTE** link, to deliver the **FEASIBILITY STUDIES**.

8.2. Pursuant to article 17 of Decree nº 6.823/2012, it will be the responsibility of the **CCP**, together with the **GTS**, to consolidate the information obtained in the **EOI**.

8.3. The **FEASIBILITY STUDIES**, after they are consolidated, will be submitted to a deliberation of the **CGC**, who will be responsible for setting the guidelines for potential competitive bidding procedures, in accordance with to Article 3, item V, of Decree nº 1.575/2015.

8.4. The period established in clause **8.1** above may be extended by the **CGC**, by means of a reasoned request from the **PROPONENTS** or from the **CCP**.

8.5. Intermediate deadlines for the submission of **EOI** information, documents, and progress reports may be established by the **CCP**, considering the final deadline, except for the possibility of extension of the final deadline by the **CGC**, as described in clause **8.4** above.

8.7. The **FEASIBILITY STUDIES** shall be delivered in 02 (two) digital files, with one file being made available in the PDF format and the other in an open format that allows for ample access to its contents, with the files properly identified and formatted and expressing the formulas and links between the worksheets that served as the basis for the **FEASIBILITY STUDIES**.

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8.8. The **FEASIBILITY STUDIES** presented must contain all the information and obey the guidelines contained in the **TERMS OF REFERENCE**, as attached to this **RESOLUTION**. If the **FEASIBILITY STUDIES** presented need rectification, the **CGC** may establish a new deadline for resubmission.

8.9. The expenses and other financial costs related to the elaboration of **FEASIBILITY STUDIES** incurred on by any of the **PROPOSERS** shall be their entire and exclusive responsibility, with no right of restitution or to any reimbursement.

8.10. The **PROPOSERS** who have their **FEASIBILITY STUDIES** chosen to support the structuring of the **PROJECTS** shall deliver, in the end, 02 (two) printed copies of the **FEASIBILITY STUDIES** elected by the **CCP**, together with the **GTS**.

9. CRITERIA FOR THE RESTITUTION OF THE COSTS OF THE EOI

9.1. The selection of **FEASIBILITY STUDIES** and projects presented for use in any competitive bidding procedure for each of the 02 (two) **SEGMENTS** will be carried out based on the following criteria:

9.1.1. Consistency of the information and adherence to the requirements of this **NOTICE** and of the attached **TERMS OF REFERENCE** that supported their execution;

9.1.2. Adoption of the best techniques of elaboration, according to Brazilian norms and pertinent scientific procedures, using, whenever possible, equipment and processes recommended by the best technology applied to the sector;

9.1.3. Compatibilities with the technical standards and rules issued for the sector;

9.1.4. Demonstration of clear rules of interoperability between the 02 (two) rail segments, according to clause **2.1** of this instrument, as well as interoperability with the already existing network;

9.1.5. Comparative presentation of the cost-benefit ratio of the enterprise in relation to other possible options that are functionally equivalent;

9.1.6. The level of detail of the justifications presented for the proposed solutions;

9.1.7. The effective possibility of the proposals leading to efficiency gains and cost reductions for the **PROJECT**;

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9.1.8. The consistency of the data and assumptions, and the strength of the surveys and of the research carried out by the interested agent, including any field studies; and

9.1.9. A schedule properly designed and duly justified for the execution of the **PROJECT**.

9.2. The **STATE OF PARANÁ**, through **CCP**, together with **GTS**, will consolidate the information obtained in the presented **EOI**, and shall be able to combine them with each other or with any other technical information that may be available, without prejudice to the resources obtained from contracted external consultants, to support the preparation of any potential bidding procedures.

9.3. After the selection of **VIABILITY STUDIES**, those that have been used, in whole or in part, to integrate the instruments necessary for potential competitive bidding processes will have their costs presented to the **CGC**, for a potential restitution, to be paid by the winner of the bidding process, in accordance with Articles 20 and 21 of Decree nº 6.823/2012.

9.4. The maximum nominal value of restitution of the **FEASIBILITY STUDIES** chosen shall not exceed the global amount of R\$ 24,000,000.00 (twenty-four million reais), with a base date of August 2017, considering:

9.4.1. The author of the selected **FEASIBILITY STUDIES** of the State Concession of **SEGMENT 1** shall be reimbursed to the amount of up to 60% of the global amount; and

9.4.2. The author of the selected **FEASIBILITY STUDIES** of the Federal Subconcession of **SEGMENT 2** shall be reimbursed to the amount of up to 40% of the global amount.

9.5. The value authorized by the **CGC** will be reimbursed only by the winner(s) of the bidding, as long as the selected **FEASIBILITY STUDIES** are effectively used.

9.5.1. The amounts approved by CGC shall be corrected according to the *Índice Nacional de Preços ao Consumidor Amplo - IPCA*.

9.6. After the selection of **FEASIBILITY STUDIES**, that were been used, in whole or in part, to integrate the competitive bidding instruments, should present the amounts spent to **CCP**, together with the **GTS**, and for the formal analysis performed by the **GTAC**.

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9.6.1. If there is a conclusion that the **FEASIBILITY STUDIES** presented are not in compliance with those originally proposed or authorized, a nominal amount shall be established for a potential restitution with due justification.

9.7. The value arbitrated by the **CGC**, after the analysis mentioned in clause **9.6** above, may be rejected by the **PROPONENT**, in which case the information contained in the selected documents will not be used, and said documents may be destroyed if they are not withdrawn within 30 (thirty) days of the date of rejection.

9.7.1. In the hypothesis of clause **9.7** above, the **CCP**, together with the **GTS**, may select other **FEASIBILITY STUDIES** among those presented.

9.8. Under no circumstances any pecuniary amount will be owed by the **STATE OF PARANÁ** because of the confection of the **FEASIBILITY STUDIES**.

10. REQUESTS FOR INFORMATION AND CLARIFICATIONS

10.1. Any information or clarification concerning the request for the establishment of **EOI**, as desired by interested parties, will be provided by the Executive Secretary of the **CGC**, on the 4th floor of the Palácio das Araucárias, located at Rua Jacy Loureiro de Campos, s/n, Centro Cívico, in the city of Curitiba, **STATE OF PARANÁ**, or by telephone at (+55 41) 3313-6302.

10.2. Additional information could be also requested by email at the following address: ccp.sepl@sepl.pr.gov.br.

10.3. The request for clarifications in no case shall imply the renewal of the deadline for the presentation of **FEASIBILITY STUDIES** which are the object of the **EOI**.

11. FINAL PROVISIONS

11.1. It will be a responsibility of the **CCP** to coordinate the **EOI** and to monitor, in conjunction with the **GTS**, the progress of the work according to the schedule of meetings to be defined, which are of mandatory attendance by the authorized agent.

11.2. This **NOTICE** may be revoked or annulled at any time, in whole or in part, by a unilateral decision of the **CGC**, in a justified decision, not causing the creation of any right to indemnities or claims of any nature.

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11.3. This **NOTICE** is regulated by the provisions of Decree nº 6.823 of December 21th, 2012, as well as by the applicable legislation.

11.4. The **CGC** reserves the right to resolve omissions and situations not provided for in this **NOTICE**.

STATE OF PARANÁ, November 27th, 2017.