

INTERNATIONAL BID NOTICE No. 01/2021

**CONCESSION OF THE REGIONALIZED PROVISION OF PUBLIC SERVICES OF WATER SUPPLY AND
SANITATION AND COMPLEMENTARY SERVICES OF THE MUNICIPALITIES OF THE STATE OF AMAPÁ**

EDITAL

PREÂMBULO

A versão em língua inglesa deste Anexo é meramente referencial, não vinculante. A única versão oficial do documento está redigida em língua portuguesa, cujo conteúdo é vinculante para todos os interessados. Em caso de dúvidas de interpretação entre a versão traduzida do Edital, em inglês, e a versão oficial, redigida em língua portuguesa, prevalecerá a versão em língua portuguesa, documento oficial da licitação.

BID NOTICE

PREAMBLE

The English version of this Bid Notice is not binding to the parties. The Portuguese version of the document is the only official version of the auction and it is binding to all stakeholders. Should any interpretation doubt arise between this English version and the Portuguese version of this Bid Notice, the Portuguese version shall prevail, as the only official document for the auction.

TABLE OF CONTENTS

PREAMBLE.....	4
<i>CHAPTER I - INITIAL PROVISIONS.....</i>	<i>6</i>
1. DEFINITIONS.....	6
2. APPLICABLE LAWS.....	11
3. INTERPRETATION	12
4. OBJECT OF THE BID	13
5. JUDGMENT CRITERION	13
6. ESTIMATE PRICE FOR CONTRACT.....	15
7. ANNEX TO THE BID NOTICE	15
8. STUDIES AND MATERIALS AS MERE REFERENCES	15
<i>CHAPTER II – BIDDING PROCEDURE</i>	<i>15</i>
9. THE BIDDING COMMITTEE.....	15
10. CLARIFICATIONS ON THE BID NOTICE.....	16
11. CHALLENGE TO THE BID NOTICE.....	17
12. ALTERATIONS IN THE BID NOTICE.....	17
<i>CHAPTER III – GENERAL CONDITIONS</i>	<i>18</i>
13. CONDITIONS TO TAKE PART	18
14. ACCEPTANCE OF THE BID NOTICE’S TERMS.....	19
15. TECHNICAL VISIT	19
16. BIDDERS’ COST	20
17. ACCREDITED REPRESENTATIVES	20
18. ACCREDITED PARTICIPANTS.....	21
<i>CHAPTER IV – PROPOSAL GUARANTEE, COMMERCIAL PROPOSAL, AND QUALIFICATION DOCUMENTS</i>	<i>21</i>
19. GENERAL RULES FOR SUBMITTING DOCUMENTATION.....	21
20. PROPOSAL GUARANTEE.....	24
21. COMMERCIAL PROPOSAL	27
22. QUALIFICATION DOCUMENTS	28
23. PARTICIPATION THROUGH CONSORTIUM.....	35
24. PARTICIPATION OF FOREIGN BIDDERS	36
<i>CHAPTER V – ANALYSIS AND JUDGMENT PROCEDURE.....</i>	<i>37</i>
25. BID REFERENCE TIME SCHEDULE	37
26. RECEIPT AND ANALYSIS OF VOLUMES 1	38
27. OPENING, EXAMINATION and JUDGMENT OF COMMERCIAL PROPOSALS.....	38
28. OPENING, EXAMINATION AND JUDGMENT OF QUALIFICATION DOCUMENTS	41
29. APPEALS	42
<i>CHAPTER VI – CONDITIONS FOR FORMALIZATION OF THE AGREEMENT</i>	<i>43</i>
30. CALL FOR ENTER INTO THE AGREEMENT.....	43
31. THE CONCESSIONAIRE	46
32. AGREEMENT PERFORMANCE BOND.....	46
33. REFUND OF THE STUDIES TIED TO THE CONCESSION	48
<i>CHAPTER VIII – FINAL PROVISIONS.....</i>	<i>49</i>
34. NOTICES	49
35. TERM COUNTING	49
36. MISCELLANEOUS.....	50

PREAMBLE

The **STATE OF AMAPÁ (hereinafter referred to as “STATE”)**, as a delegate of the administrative roles of organizing and promoting this bid process, as well as the role of contract management, based on Article 175 of the Constitution of the Brazil, Federal Law no. 8,987/1995, Federal Law no. 9,074/1995, Federal Law no. 8,666/1993¹, Federal Law no. 11,445/2007, Federal Decree no. 7,217/2010, Federal Law no. 14,026/2020, announces the present BID, classified as international competitive bid, to be judged by the combination of the lowest fee value criterion and the highest Concession Fee criterion, in order to select the most advantageous proposal for the CONCESSION of the public services of water supply and sanitation in the CONCESSION AREA, for the period of 35 (thirty five years) pursuant to the specifications included in this BID NOTICE.

The draft for this BID NOTICE , the Concession Agreement and other annexes were available for public consultation from 10/09/2020 to 11/30/2020, at the website <https://consultapublica.portal.ap.gov.br/>, and at the headquarters of the STATE , and were subject matter of virtual public hearing, carried out through digital platform on 10/28/2020. Both the public consultation and hearing were duly disclosed at the STATE’s website, and had their notices published in the STATE Official Gazette on 10/09/2020 and 10/13/2020, respectively, and on wide circulation newspaper on the same days.

As published in the Official Gazette of the State of Amapá on 10/24/2020, this bid process was duly justified in compliance with articles 5 and 16 of Federal Law 8,987/1995.

Possible alterations of this PUBLIC NOTICE BID shall be binding on all BIDDERS and shall be disclosed in the same manner as the publication of this instrument.

In the event of alterations affecting the preparation of proposals, new term shall be initiated for proposal submission under item 9.2.6 and 12.2 of this BID NOTICE.

The interested parties may obtain the BID NOTICE i) in electronic media and/or ii) in printed format, by exchanging three (03) reams of A4 size paper, 75g/m2, with the State Planning Secretariat, at Av. Fab, 1129, Centro Administrativo, Centro, Macapá - Amapá, on business days, from 9:00 am to 12:00 pm, by prior appointment to be made by e-mail saneamento@seplan.ap.gov.br or the website <https://concessaosaneamento.portal.ap.gov.br>. At the same website, complementary documents and related legal transactions are available, among which the technical studies that preceded the preparation of the BID NOTICE, cooperation covenants and management agreements, where all acts performed in the course of the BID shall be published.

The VOLUME DELIVERY DATE shall be in August 30th, 2021, from 10:00 am to 14:00 pm, at B3, na Rua Quinze de Novembro, 275 - Centro Histórico de São Paulo, in the Municipality of São Paulo, State of São Paulo.

¹ This bidding process will be governed by Law no. 8,666 /1993, pursuant Article 191 of Law no. 14,133/2021.

The BID shall be conducted according to Article 18-A, of the Federal Law number 8.987/1995, so the first phase shall be the submission of ACCREDITATION documents, followed by the opening of the PROPOSAL GUARANTEES, which shall be analyzed by the BIDDING COMMITTEE. The disclosure of the result of the analysis and the BIDDERS that had their PROPOSAL GUARANTEES accepted shall be conducted on September 1st, 2021.

Public session for opening and judging COMMERCIAL PROPOSALS, followed by the opening of the QUALIFICATION DOCUMENTS of the best ranked BIDDER, shall be on the dates set forth in item 25 of this BID NOTICE, at B3, in Rua Quinze de Novembro, 275 - Centro Histórico de São Paulo, in the Municipality of São Paulo, State of São Paulo.

References to the STATE, within the scope of this BID NOTICE, is related to its performance as a representative of the administrative and operational functions of the bidding procedure by the holders of public water supply and sewage services, as well as its performance as manager of the CONCESSION AGREEMENT.

All hours set forth in this BID NOTICE refer to Brasília time. For performing acts directly with the STATE, whether through email or personal presence, interested parties shall observe the body's service dates.

CHAPTER I - INITIAL PROVISIONS

1. DEFINITIONS

1.1. This BID NOTICE establishes the BID's administrative procedures and sets forth the conditions and legal regime for the contract subject matter of this BID NOTICE , establishing the rules to be in force during the whole BID transaction.

1.2. The terms set out hereafter shall, whenever Capitalized, whether in their singular or plural form, have the meaning transcribed below, except when, from its context, a clearly different meaning results:

1.2.1. **AFFILIATE**: legal entity directly or indirectly related to other legal entity as SUBSIDIARY, HOLDING COMPANY, or for being subject to common CONTROL in relation to other natural person(s) or legal entity(ies);

1.2.2. **REGULATORY AGENCY**: Agência Reguladora dos Serviços Públicos Delegados do Estado do Amapá ("ARSAP"), created and regulated by State Law no. 0625, of 31st October of 2001, or by subsequent legislation replace it, with authority to regulate, control and inspect the provision of public basic sanitation services, or other state regulatory body or entity to be substitute therefor in the regulation of public basic sanitation services, as well as the National Agency of Waters and Basic Sanitation (ANA), responsible for issuing reference rules for the sector;

1.2.3. **FINANCIAL AGENT**: financial institution hired by the CCONCESSIONAIRE, according to ANNEX IX – REFERENCIAL DRAFT OF ESCROW ACCOUNT AGREEMENT of the AGREEMENT, responsible for the counts and for the operationalization and moving of the resources.

1.2.4. **ANNEX**: each of the documents attached to this *BID NOTICE*, sequentially numbered, and which are an integral part hereof;

1.2.5. **CONCESSION AREA**: urban area of the MUNICIPALITIES delimited according to ANNEX IV and ASSOCIATED MANAGEMENT instruments, where the SERVICES will be provided by the CONCESSIONAIRE, pursuant to the AGREEMENT. The urban area to be considered is that delimited in the Master Plans of each municipality and, in the absence thereof, that defined by municipal legislation or, finally, by the IBGE;

1.2.6. **B3**: BRASIL, BOLSA, BALCÃO – B3, current designation of BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros, located in the Municipality of São Paulo, State of São Paulo, at Rua Quinze de Novembro, 275 - Centro Histórico de São Paulo, São Paulo - SP, 01010-901, which is in charge of conducting the Public Session for the Auction along with the BIDDING COMMITTEE;

1.2.7. PRIVATE ASSETS: property of the CONCESSIONAIRE which, despite being LINKED ASSETS, are not considered REVERSIBLE ASSETS, as they are goods of administrative use and/or not essential to the REGIONALIZED PROVISION;

1.2.8. REVERSIBLE GOODS: set of movable and immovable assets, including facilities, equipment, machinery, apparatus, buildings and accessories of the existing water and sanitation systems, subject matter of the CONCESSION, which are essential and indispensable to the REGIONALIZED PROVISION, and which will be transferred to the CONCESSIONAIRE, as well as the other assets essential and indispensable to the REGIONALIZED PROVISION that will be acquired and/or built by the CONCESSIONAIRE, and that will revert to the holders of the SERVICES, through the STATE, upon the extinguishment of the CONCESSION;

1.2.9. LINKED ASSETS: PRIVATE ASSETS and REVERSIBLE ASSETS, which together represent all the assets used by the CONCESSIONAIRE in the performance of the CONCESSION AGREEMENT;

1.2.10. BNDES: is Banco Nacional de Desenvolvimento Econômico e Social, which is liable for the conduction of studies connected with the CONCESSION, under Agreement number 17.2.0030.3, entered into by and between BNDES and the State of Amapá, published on [•], in the Official Gazette of the State of Amapá;

1.2.11. CAESA: Companhia de Água e Esgoto do Amapá, a quasi-government corporation created by the Decree-Law number 490/1969, which is in charge of the provision of water supply and sewerage services;

1.2.12. BIDDING COMMITTEE: Special Bidding Committee designated for causing the BID, including the analysis and judgment of all documents of this BID;

1.2.13. CONCESSION: delegation of the SERVICE provision in the MUNICIPALITIES, which shall be governed by the Federal Law number 8.987/1995, during the term set forth in the BID NOTICE and in the AGREEMENT;

1.2.14. CONCESSIONAIRE: specific purpose entity incorporated by the winning bidder for the performance of the SERVICES object of this AGREEMENT;

1.2.15. CONSORTIUM MEMBER: each of the members of a CONSORTIUM;

1.2.16. CONSORTIUM: association of companies, funds or entities aimed at taking part in the BID, which shall, in the event that they win the bidding procedure, organize a SPE under the laws of the Federative Republic of Brazil;

1.2.17. AGREEMENT: the legal instrument and the Annexes thereto, to be entered into between the STATE, as representative of the holders of the SERVICES, and the CONCESSIONAIRE, with the consent and intervention of the REGULATORY AGENCY pursuant to ANNEX I - DRAFT AGREEMENT and Annexes of this BID NOTICE;

1.2.18. MANAGEMENT AGREEMENT: instrument entered into by and between the holders of the water supply and sewerage services and the STATE, the object of which, as complement to the COOPERATION COVENANT, is to regulate the transfer of the organization and management of the REGIONALIZED PROVISION of water supply and sewerage services in the MUNICIPALITIES' urban area, regulate the transfer of regulation, including the rate regulation, and control to the REGULATORY AGENCY, and to regulate the authorization of the transfer of the service provision by the STATE to third parties, in accordance with the Federal Laws numbers 8.666/1993, 8.987/1995, 11.107/2005, 11.445/2007 and 14,026/2020 among other applicable rules.

1.2.19. SUBSIDIARY: any person or investment fund the CONTROL of which is exercised by another person or investment fund;

1.2.20. HOLDING COMPANY: any person, investment fund, or complementary pension entity exercising CONTROL on other person or investment fund;

1.2.21. CONTROL: the power held by person or group of persons tied by voting agreement or under common control, directly or indirectly, individually or collectively, of: (i) permanently exercising rights assuring thereto the majority of votes in corporate resolutions, and electing the majority of the administrators or managers of other person, investment fund or complementary pension entities, as the case may be; or (ii) actually direct the corporate activities and the operation of the bodies of other person, investment fund or complementary pension entity;

1.2.22. COOPERATION COVENANTS: instruments organizing the ASSOCIATED MANAGEMENT of the water supply and sewerage services entered into by and between the holders of the SERVICE and the STATE, with the delegation of the service organization and management activities to the STATE, and regulation and control activities to the REGULATORY AGENCY;

1.2.23. ACCREDITATION: procedure for registering the BIDDERS' legal representatives under the B3 PROCEDURE MANUAL;

1.2.24. PROPOSAL BASE DATE: date when the COMMERCIAL PROPOSAL of the WINNING BIDDER is submitted, which shall be used as initial landmark for counting the terms to be applied for purposes RATE adjustment and review, under this BID NOTICE and the ANNEXES hereto;

1.2.25. VOLUME DELIVERY DATE: date set forth in the BID NOTICE, when VOLUMES shall be delivered by BIDDERS at B3;

1.2.26. CHAIRMAN OF THE SESSION: B3 employee responsible for conducting the bidding stage;

1.2.27. QUALIFICATION DOCUMENTS: BIDDERS' documents connected with their legal eligibility, tax and labor compliance, technical qualification, economic-financial qualification and compliance with provisions in subsection XXXIII, of Article 7, of the Federal Constitution, according to this BID NOTICE;

- 1.2.28. BID NOTICE: this instrument and the annexes thereto (International Bid Notice no. 01/2021), which shall regulate the BID's terms and conditions;
- 1.2.29. STATE: State of Amapá, representative of the service holders, pursuant to the ASSOCIATED MANAGEMENT instruments, mandated to organize, manage and transfer the provision of water supply and sanitation services in the CONCESSION AREA
- 1.2.30. PROPOSAL GUARANTEE: guarantee of compliance with the liabilities assumed by the BIDDERS in reason of their participation in the BID, under the BID NOTICE;
- 1.2.31. AGREEMENT PERFORMANCE BOND: guarantee to be provided by the CONCESSIONAIRE for ensuring the strict compliance with the liabilities included in the AGREEMENT, in all its provisions;
- 1.2.32. ASSOCIATED MANAGEMENT: voluntary association between each MUNICIPALITY and the STATE, under the COOPERATION COVENANTS and MANAGEMENT AGREEMENTS, aimed at structuring and organizing the offering of water supply and sewerage services in an integrated and regionalized manner;
- 1.2.33. ADDITIONAL INVESTMENTS: Investments performed by the CONCESSIONAIRE, pursuant Clause 50 of the AGREEMENT and ANNEX IV – CONTRACT SPECIFICATIONS, while observing the planning to be celebrate between the STATE and the CONCESSIONAIRE.
- 1.2.34. INTERMEDIARY BID: bid equal to or lower than the highest bid already offered, but higher than the last bid submitted by the BIDDER itself.
- 1.2.35. BID: International Public Bidding no. 01/2021, subject matter of this BID NOTICE, which aims to select the most advantageous proposal for the service CONCESSION;
- 1.2.36. BIDDER: legal entity or investment fund acting either individually or in consortium, in accordance with this BID NOTICE, which participates in the BID;
- 1.2.37. WINNING BIDDER: legal entity or investment fund, acting either individually or in CONSORTIUM, in accordance with this BID NOTICE, which wins the the BID;
- 1.2.38. PROCEDURE MANUAL: document prepared by B3 and approved by the STATE, which contains guidelines, rules and models of documents for the for the BID procedures;
- 1.2.39. MUNICIPALITIES: Municipalities identified in ANNEX IV – CONCESSION AREAS;
- 1.2.40. SYSTEM AIDED OPERATION: the one hundred and eighty (180)-day period counted from the execution of the AGREEMENT, which may be extended for a further ninety (90) days upon mutual consent between STATE and the CONCESSIONAIRE, during which the

CONCESSIONAIRE shall intensively follow up the activities related to the SYSTEM OPERATION, so CAESA shall, for all purposes whatsoever, be the direct responsible for the SYSTEM OPERATION and hold the revenues arisen from such operation;

1.2.41. SYSTEM OPERATION: comprises the group of operating actions to be developed and performed by the CONCESSIONAIRE after the issue of the SYSTEM TRANSFER SHEET, for providing the SERVICES to the SYSTEM USERS, in compliance with the parameters and conditions provided for in the AGREEMENT and ANNEXES thereto;

1.2.42. CONCESSION FEE: payment made by the CONCESSIONAIRE to the MUNICIPALITIES as a condition precedent for the exploitation of the CONCESSION;

1.2.43. ACCREDITED PARTICIPANTS: legal entities eligible and authorized to operate at B3, contracted by the BIDDERS to represent it in all acts connected with the BID alongside B3;

1.2.44. REGIONALIZED PROVISION: performance of the SERVICES by the CONCESSIONAIRE in the MUNICIPALITIES, with a view to generating gains of scale and ensuring the universalization and technical and economic-financial feasibility of the SERVICES;

1.2.45. COMMERCIAL PROPOSAL: proposal submitted by the BIDDERS informing the REFERENCE RATE discount, as provided for in ANNEX V - REFERENCE RATE STRUCTURE, combined with CONCESSION fee presented, based on ANNEX III – MODEL OF COMMERCIAL PROPOSAL;

1.2.46. ADDITIONAL REVENUE: any and all alternative, complementary, and ancillary revenue to be directly or indirectly obtained by the CONCESSIONAIRE, as a consequence of the exploitation of the associated project or additional service provision to the SERVICES, according to Article 11, of the Federal Law number 8.987/95, upon prior and express consent by the STATE, as provided for in the AGREEMENT and the ANNEX thereto;

1.2.47. EXPLOITATION REVENUE: revenue obtained by the CONCESSIONAIRE as a consequence of the collection of RATES for the provision of the SERVICES to the SYSTEM USERS, accrued of the ADDITIONAL REVENUE and the revenue resulting from the provision of the COMPLEMENTARY SERVICES;

1.2.48. RATE REVENUE: amount collected by the CONCESSIONAIRE as a consequence of the payment of rates, by SYSTEM USERS, for the SERVICE provision;

1.2.49. SERVICES: integrated activities comprising all services to be provided by the CONCESSIONAIRE, characterized as follows: (a) water supply: public service comprising the activities, infrastructures and installations required to the public supply of water, from water intake to building connections, and metering instruments; (b) sewerage service: public service comprising the activities of proper collection, transportation, treatment, and final disposal of sewage from building connections to their final disposal at the environment.

1.2.50. COMPLEMENTARY SERVICES: ancillary, complementary and related services to the SERVICES, to be provided by the CONCESSIONAIRE and under regulation by the REGULATORY AGENCY, under the AGREEMENT and the ANNEX thereto;

1.2.51. SPE: special purpose company to be organized by the WINNING BIDDER, as joint stock company, for the special purpose of providing the public services subject matter of this CONCESSION;

1.2.52. SYSTEM: group of infrastructures connected with the provision of the SERVICES, such as networks, connections, water pumping stations, sewage pumping stations, water treatment plants, sewage treatment plants, manholes, interceptors, outfalls, headers, among other structures necessary to provide the SERVICES, in accordance to ANNEX IV – CONTRACT SPECIFICATION;

1.2.53. RATE(S): pecuniary amounts due by the USERS to the CONCESSIONAIRE for the SERVICE provision, according to the CONCESSION's rate structure included in ANNEX VII to the AGREEMENT, which shall be annually adjusted and possibly reviewed as set forth in the AGREEMENT;

1.2.54. ACTUAL RATE(S): actual amounts due to the CONCESSIONAIRE as consideration for the SERVICE provision, considering possible deductions arising out of the noncompliance with performance benchmarks, as established in ANNEX III to the AGREEMENT.

1.2.55. REFERENCE RATE: is the reference value of the rate provided for the CONCESSION's year 1, as provided for in ANNEX VI – REFERENCE RATE STRUCTURE, on which shall be applied the discount given by the BIDDER in its COMMERCIAL PROPOSAL, for the BID's judgment purposes.

1.2.56. SYSTEM TRANSFER SHEET: document by which CAESA transfers, upon the end of the SYSTEM AIDED OPERATION, to the CONCESSIONAIRE, the responsibility for the SYSTEM OPERATION, making it eligible to provide all of the SERVICES under the AGREEMENT;

1.2.57. USER: natural persons and legal entities that can be comprised in the types and categories provided for in the ANNEX VI do AGREEMENT – RATE STRUCTURE AND COMPLEMENTARY SERVICES, which shall be the receivers of the SERVICES provided by the CONCESSIONAIRE in the respective region, against the payment of RATE;

1.2.58. VOLUME: case containing the set of documents required to take part in this BID, totaling three (3), to wit: VOLUME 1, concerning the PROPOSAL GUARANTEE; VOLUME 2, concerning the COMMERCIAL PROPOSAL; and VOLUME 3, concerning the QUALIFICATION DOCUMENTS, under this BID NOTICE.

2. APPLICABLE LAWS

2.1. The BID and its object shall be governed by the Constitution of the Republic, the Federal Law number 8.987/1995, the Federal Law number 8.666/1993, the Federal Law number 9.074/1995, the Federal Law number 11.445/2007, the Federal Law number 14.026/2020, the Federal Decree number 7.217/2010 and other applicable legal and regulatory provisions.

2.2. Without prejudice to the other applicable Constitutional, legal, and regulatory provisions, the following rules shall be especially applicable:

2.2.1. Federal Constitution;

2.2.2. Federal Law number 8.987, of February 13, 1995;

2.2.3. Federal Law number 9.074, of July 7, 1995;

2.2.4. Federal Law number 8.666, of June 21, 1993;

2.2.5. Federal Law number 11.445, of January 5, 2007;

2.2.6. Federal Law number 14.026, of July 15, 2020;

2.2.7. Federal Decree number 7.217, of June 21, 2010;

2.2.8. Decree number 7.217, of December 24, 2020

2.2.9. Federal Law number 13.089, of January 12, 2015;

2.2.10. Federal Law number 13.460, of June 26, 2017;

2.3. The references to the rules applicable to the CONCESSION shall also be comprised as references to laws substituting or modifying them, whether partially or as a whole.

2.4. The following are legal transactions connected with the CONCESSION:

2.4.1. COOPERATION COVENANTS entered into by and between the holders and the STATE, having the REGULATORY AGENCY as consenting party;

2.4.2. MANAGEMENT AGREEMENTS and respective ANNEXES entered into by and between the holders of the SERVICES and the STATE, having the REGULATORY AGENCY as consenting party;

3. INTERPRETATION

3.1. In the event of divergence between the rules provided for in the laws, in the instruments mentioned in item 2.4, in the BID NOTICE, in the AGREEMENT and the ANNEXES thereto, the following shall prevail:

- i. firstly, the provisions in the legal, regulatory, and technical rules in force, except for the legal rules of the private law;
- ii. secondly, the provisions in the AGREEMENT and the ANNEXES thereto more relevant to the matter in hand, with those in the AGREEMENT superseding those in the ANNEX thereto;
- iii. thirdly, the provisions in the BID NOTICE and the ANNEXES thereto, with the provisions in the BID NOTICE superseding those in the ANNEXES thereto;
- iv. fourthly, the provisions in the COMMERCIAL PROPOSAL of the WINNING BIDDER, provided that in compliance with the regulations of the BID NOTICE;
- v. fifthly, the provisions in the MANAGEMENT AGREEMENTS of the service regionalized provision, with the provisions in the MANAGEMENT AGREEMENTS superseding those in the ANNEXES thereto;
- vi. sixthly, the provisions in the COOPERATION COVENANTS.

4. OBJECT OF THE BID

4.1. The object of this BID is the CONCESSION of the REGIONALIZED PROVISION of the SERVICES and COMPLEMENTARY SERVICES in the CONCESSION AREA, through the exploitation of the infrastructures integrating the SYSTEM, pursuant to the description, characteristics and technical specifications detailed in this BID NOTICE, in the respective ANNEX, in the AGREEMENT, in the Municipal Plans of Water and Sewage and in the applicable laws.

4.2. The provision of the SERVICES shall strictly comply with all provisions, terms, technical guidelines and procedures included in this BID NOTICE, the AGREEMENT, respective ANNEX, and in the applicable laws.

4.3. The CONCESSION presupposes the proper provision of the SERVICES, to be considered as such those meeting the regularity, efficiency, security, opportunity, generality, courtesy, equity, continuity, and rate modes, in compliance with performance benchmarks and servicing goals provided for in the AGREEMENT, respective ANNEX, and in the applicable laws.

5. JUDGMENT CRITERION

5.1. This BID shall be judged by the lowest rate criterion, , based on the highest discount on the REFERENCE RATE, as provided for in ANNEX VI – REFERENCE RATE STRUCTURE, combined with the highest CONCESSION FEE, pursuant Article 15, III, of the Federal Law no. 8.987/1995, considering the following:

5.1.1. The minimum amount of the CONCESSION FEE shall be R\$ 50.000.000,00 (fifty million reais), which shall be considered even if the discount offered over the REFERENCE RATE does not match the percentage envisaged in the item 5.1.2.

5.1.2. The limit discount allowed for the COMMERCIAL PROPOSAL is 20% (twenty percent) over REFERENCE RATE value.

In case of more than one COMMERCIAL PROPOSAL present discount over REFERENCE RATE equal to the limit of item 5.1.2., the judgement criterion will be the highest CONCESSION FEE, considering that the minimum amount of the CONCESSION FEE shall be upper than R\$ 50.000.000,00 (fifty million Brazilian reais).

5.2. The CONCESSION FEE will be payed directly to the MUNICIPALITIES, considering the following:

5.2.1. The minimum amount of CONCESSION FEE set forth in item 5.1.1. will be shared, proportionally to the population of each MUNICIPALTY, based on population estimates of the MUNICIPALITIES, disclosed by Instituto Brasileiro de Geografia e Estatística – IBGE, data based on [●]; and

5.2.2. The amount that exceed from the minimum amount of the CONCESSION FEE set forth in item 5.1.1 will have the following destination:

5.2.2.1. 40% (forty percent) will be paid to the MUNICIPALTY of Macapá;

5.2.2.2. 60% (sixty percent) will be shared, proportionally to the number of inhabitants of each of the 15 (fifteen) MUNICIPALTIES, excluded from Macapá, based on population estimates disclosed by Instituto Brasileiro de Geografia e Estatística – IBGE, data based on [●];

5.2.3. The CONCESSION FEE payment is conditional on the previous RATE adjustment by the STATE, pursuant item 30.10.1.

5.3. In addition to the CONCESSION FEE payment, the BIDDERS shall consider for formulating their COMMERCIAL PROPOSALS, the obligation related to ADDITIONAL INVESTMENTS, pursuant to Clause 50 of the AGREEMENT, which will be calculated based on the following formula:

$$\text{Additional Investments} = (\text{CONCESSION FEE} - \text{MINIMUM CONCESSION FEE})$$

Which:

CONCESSION FEE: amount paid by the CONCESSIONAIRE to the MUNICIPALITIES, as condition to explore the CONCESSION; and

MINIMUM CONCESSION FEE: minimum amount of CONCESSION FEE forth set in this BID NOTICE, equivalent to R\$ 50.000.000,00 (fifty million reais).

5.4. The CONCESSION FEE will be updated by National Wide Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo –IPCA) in the payment day, using as reference date December, 2020.

5.5. The amount related to ADDITIONAL INVESTMENTS will be updated by National Wide Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo –IPCA), from the date of COMMERCIAL PROPOSAL submission.

6. ESTIMATE PRICE FOR CONTRACT

6.1. The estimate price of the AGREEMENT, for the purposes of this BID, is R\$ 4,537,926,438.77 (four billion, five hundred and thirty seven million, nine hundred and twenty-six thousand, four hundred and thirty-eight Brazilian *Reais* and seventy-seven cents), corresponding to the current amount of the sum of the revenues arising out of the REFERENCE RATES obtained from the SERVICE provision, as estimated for the whole term of the AGREEMENT.

7. ANNEX TO THE BID NOTICE

7.1. The following ANNEX are an integral part of this BID NOTICE, inseparably:

- 7.1.1. ANNEX I – DRAFT OF THE AGREEMENT and ANNEX thereto;
- 7.1.2. ANNEX II – MODEL OF LETTERS AND DECLARATIONS;
- 7.1.3. ANNEX III – MODEL OF COMMERCIAL PROPOSAL;
- 7.1.4. ANNEX IV – CONCESSION AREA;
- 7.1.5. ANNEX V – B3 PROCEDURE MANUAL;

8. STUDIES AND MATERIALS AS MERE REFERENCES

8.1. The data, studies, materials, and information published by the STATE at the website <https://concessaosaneamento.portal.ap.gov.br/>, prepared by the STATE or entities contracted thereby, are of merely informative and reference nature and do not integrate the present BID NOTICE, which purpose is that of making easier the understanding of the object of CONCESSION.

8.2. The STATE and the entities causing and/or preparing the materials mentioned in subitem 8.1 shall not answer for its correction, accuracy, or sufficiency, so the BIDDERS shall be solely liable to cause the full analysis of all conditions and information required for submitting the respective COMMERCIAL PROPOSALS.

CHAPTER II – BIDDING PROCEDURE

9. THE BIDDING COMMITTEE

9.1. The BID shall be judged by the BIDDING COMMITTEE, which shall conduct the works required for the BID, supported by B3, BNDES, and other government agents of the STATE's personnel.

9.2. Further to the prerogatives arising out of its legal function, the BIDDING COMMITTEE may:

9.2.1. request to the BIDDERS, at any time whatsoever, by means of a notice published on the BIDDING PROCESS website <https://concessaosaneamento.portal.ap.gov.br/>, clarifications on the documents submitted by them which shall be answered by the BIDDERS within the period determined by the BIDDING COMMITTEE;

9.2.2. adopt criteria for curing faults having formal nature and for complementing insufficiencies in the course of the BID;

9.2.3. carry out diligence intended to clarify or complement the supporting documentation for the BID, so later inclusion of document or material information that should be originally included in the documents submitted by the BIDDER to hereby prohibited;

9.2.4. extend the terms set forth in the BID NOTICE, provided that against justification, in the event of public interest, *act of God* or event of *force majeure*, without the BIDDERS to be entitled to indemnification or refund for costs and expenses, on any grounds whatsoever;

9.2.5. alter the dates or agenda of the sessions, anticipate or even stay them by virtue of the progress of works, in compliance with the applicable legal rules; and

9.2.6. modify the VOLUME DELIVERY DATE, as well as the date of the BID Public Session, whether extending or reinitiating the term initially established, according to Article 21, § 4, of the Federal Law n. 8.666/93, in the hypothesis of alteration that unequivocally affects the preparation of the COMMERCIAL PROPOSALS

10. CLARIFICATIONS ON THE BID NOTICE

10.1. Until 05:00 pm of the date informed in the time schedule included in item 25 of this BID NOTICE, BIDDERS may request clarification on the BID NOTICE to the chairman of the BID COMMITTEE by sending email to the email address saneamento@seplan.ap.gov.br including the file with the questions made in PDF format, pursuant to the form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS of this BID NOTICE.

10.2. The BID COMMITTEE shall publish the replies to the requests for clarifications to all BIDDERS at the website <https://concessaosaneamento.portal.ap.gov.br/> up to the date informed in the referential time schedule, set forth item 25 of this BID NOTICE.

10.3. In the event that no requests for clarifications are made on the BID, or after the replies thereto, it is assumed that the elements provided in the BID NOTICE are clear and accurate enough for all acts under the BID to be carried out, and BIDDERS shall not be entitled to any later complaints,

since the participation in the BID implies full and unconditional acceptance of all terms and conditions of this BID NOTICE and the ANNEX hereto.

10.4. The clarifications provided by the BIDDING COMMITTEE shall be an integral part of this BID NOTICE as they were part of it, and any other information not included in this BID NOTICE or in the clarifications provided by the BIDDING COMMITTEE, that might have been or be obtained by the BIDDERS in any other form, shall not bind the BIDDING COMMITTEE or the STATE.

11. CHALLENGE TO THE BID NOTICE

11.1. Any citizen is party with legal capacity to challenge the BID NOTICE for possible irregularity, in which event he/she shall file challenge up to five (5) business days before the VOLUME DELIVERY DATE.

11.2. The BIDDER failing to do so up to the second (2nd) business day preceding the VOLUME DELIVERY DATE shall have its right to challenge the BID NOTICE lapsed.

11.3. Challenges to the BID NOTICE shall be addressed to the Chairman of the BIDDING COMMITTEE, and filed, in writing, in business day, from Monday to Friday, in the State Planning Secretariat, at Av. Fab, 1129, Centro Administrativo, Centro, Macapá - Amapá, on business days, from 9:00 am to 12:00 pm, by prior appointment to be made by e-mail saneamento@seplan.ap.gov.br, or by sending email to the email address saneamento@seplan.ap.gov.br, including the file in PDF format, which challenges shall be supported by:

- a) copy of the identification document of its signatory, when a natural person; or
- b) copy of the articles of incorporation or bylaws accompanied by other documents required to confirm the signatory's legal representation powers, when filed by legal entity.

12. ALTERATIONS IN THE BID NOTICE

12.1. At any time up to the BID's opening session, the BID COMMITTEE may, at its sole discretion, as consequence of clarifications, challenges to the BID NOTICE and/or for any other public interest reason, alter the BID NOTICE.

12.2. Any modification in the BID NOTICE shall demand disclosure in the same manner than the original text was disclosed, and the term initially set forth shall be reinitiated, except when the alteration does not affect the way the PROPOSAL GUARANTEE shall be submitted and the COMMERCIAL PROPOSAL shall be prepared, as well as the QUALIFICATION DOCUMENTS, as provided for in Article 21, § 4, of the Federal Law number 8.666/1993.

CHAPTER III – GENERAL CONDITIONS

13. CONDITIONS TO TAKE PART

13.1. Legal entities, domestic or foreign, acting alone or through CONSORTIUM, fully meeting all terms and conditions of this BID NOTICE, may take part in this BID.

13.2. For the purposes of this BID NOTICE, the following may also take part in this BID open and closed supplementary pension entities, financial institution, private equity funds and companies that act as investors institutions.

13.3. The following persons may not take part in this BID, whether alone or through CONSORTIUM:

a) persons declared unfit for bidding or enter into agreement with the Federal ,States and Municipal governments, by administrative act issued by the Public Authority.

b) persons suspended or precluded from participating in bidding processes or from hiring with the Government of the STATE or that have practiced act set forth in Federal Law 12.846/2013;

c) persons under intervention by the Secretary of Complementary Pension of the Ministry for Social Security;

d) those whose the director(s) or legal representative(s) of which is (are) or has (have) been, within the one hundred and eighty (180) days preceding the date when the BID NOTICE was published, civil servant(s) holding office(s) or having job(s) in bodies or entities acting as contracting parties or responsible for the BID, or public agent(s) prevented from hiring with the Direct and Indirect Public Administration of the STATE constitutional or legal prohibition;

e) Persons sentenced, by sentence transited *in rem judicatam*, to right restriction penalty for the perpetration of crimes against the environment, as provided for in Article 10 of the Federal Law number 9.605/1998;

f) Persons being AFFILIATES of another BIDDER;

g) Persons forbidden from entering into agreements with the Public Administration by operation of condemning sentence transited *in rem judicatam* for misconduct in office under the Federal Law number 8.429/1992;

h) Persons prohibited, for decision in force by the Plenary Session of the Administrative Council for Economic Defense (“CADE”), from taking part in bids caused by the Federal, State, Municipal

Direct and Indirect Public Administration, for breach of the economic order under Article 38, subsection II, of the Federal Law number 12.529/2011.

13.4. Will not be allowed the participation of BIDDER, including its affiliates, subsidiaries, holding companies or other company under common control, in more than one CONSORTIUM, or in any other manner that results in the submission of more than one proposal by BIDDER or a part of the BIDDER in economic group in the BID;

13.5. Natural persons and legal entities that took part in the preparation of the technical studies supporting this BID may not take part in this BID, directly or not, independently or through CONSORTIUM.

13.5.1. For the purposes of the provisions in this Article, indirect participation is considered when there is any technical, commercial, economic, financial, or labor relationship between the natural persons or legal entities that took part in the preparation of the technical studies that supported this BID and any of the BIDDERS, which relationship has as scope the conduction of activities intended to the BIDDER's participation in this BID.

14. ACCEPTANCE OF THE BID NOTICE'S TERMS

14.1. The participation in the BID implies full and unconditional acceptance of all terms and requirements in this BID NOTICE, so later allegations of unawareness of or disagreement with its conditions, as well as with the relevant regulatory rules, are hereby prohibited.

14.2. Possible deficiencies when meeting the requisites and requirements for submission of the PROPOSAL GUARANTEE, the COMMERCIAL PROPOSAL, and the QUALIFICATION DOCUMENTS, shall be a BIDDERS' sole liability.

14.3. The PROPOSAL GUARANTEE, the COMMERCIAL PROPOSAL, and the QUALIFICATION DOCUMENTS not meeting the requisites set forth in this BID NOTICE shall cause the BIDDERS' ineligibility or disqualification, as the case may be.

15. TECHNICAL VISIT

15.1. BIDDERS willing to do so may pay technical visits they deem required to the existing installations connected with the SERVICES.

15.2. The purpose of the technical visit shall be to allow BIDDERS to conduct, at their own expenses and liability, proper assessment of the nature and dimension of works, materials, and equipment required for providing the SERVICES, and for the obtainment of any other data judged required thereby for their proposals' preparation.

15.3. The BIDDER shall express its interest in the technical visit, which shall be in the company of a STATE's representative, upon prior appointment up to the fifth (15th) business day before the VOLUME DELIVERY DATE, through written notice to be sent to the email saneamento@seplan.ap.gov.br, informing which installations it is interested in visiting.

15.3.1. Technical visits shall be paid up to the second (2nd) business day before the VOLUME DELIVERY DATE.

15.4. The technical visit is not condition required for taking part in this BID, however, the BIDDING COMMITTEE shall consider that the COMMERCIAL PROPOSALS submitted have been prepared with full knowledge of the CONCESSION AREA, so the WINNING BIDDER may not, in any hypothesis whatsoever, request changes in prices, terms or conditions of the AGREEMENT, or allege any loss or claim any benefit by invoking insufficiency of data or information on the object of the BID.

16. BIDDERS' COST

16.1. Any and all expenses and/or costs incurred by the BIDDERS in reason of this BID shall be borne at its expenses, and at its sole liability and risk, so the STATE and the MUNICIPALITIES shall be released from any liability or refund, regardless of the result of the BID.

17. ACCREDITED REPRESENTATIVES

17.1. Each BIDDER may have no less than one (1) and no more than two (2) Accredited Representatives, who shall be in possession of official document with picture at the BID's public sessions.

17.2. For confirming the representation powers of the Accredited Representative(s), the following documents shall be submitted inside the VOLUME 1 - PROPOSAL GUARANTEE:

17.2.1. in the case of Brazilian legal entities, power of attorney confirming powers to perform, in the name of the BIDDER, all acts connected with the BID, according to the form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS, accompanied by documents confirming the powers of the grantor(s) (according to the latest amended filed with the relevant board of trade or register office), with Simplified Certificate issued by the Board of Trade of the BIDDER's judicial district;

17.2.2. in the case of foreign legal entities, power of attorney granted to legal representative living and domiciled in Brazil, confirming powers to perform, in the name of the BIDDER, all acts connected with the BID, with express powers to receive summons and to represent the BIDDER before administrative tribunals and judicial courts, and to enter into settlements and waive rights and, as the case may be, delegation of proper powers to the Accredited Representative(s), according to form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS, supported by documents confirming the grantors' powers, with signature(s) duly certified by notary public or

other entity, according to the laws applicable to the documents, which shall be legalized by Brazilian consular service of the country of origin, duly translated to the Brazilian Portuguese by sworn translator, and registered with Registry of Deeds and Documents (pursuant to last amendment filed with the relevant board of trade or register office or comparable requirement of the country of origin), provided, however, that the rules of the Decree number 8.660, of January 29, 2016 (which enacts the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents) are complied with; and

17.2.3. in the event of CONSORTIUM, power of attorney granted by the leading legal entity, according to items 17.2.1 and 17.2.2 above, as the case may be, which shall be accompanied by Commitment to Organize SPE, undersigned by the CONSORTIUM MEMBERS and documents evidencing the powers of all signatories, as the case may be .

17.3. The Accredited Representative(s) shall not be allowed to intervene or perform acts with B3 during the COMMERCIAL PROPOSALS' opening step and classification, except with the BID COMMITTEE, since such representation shall be solely made by the ACCREDITED PARTICIPANTS.

17.4. The Accredited Representative(s) shall sign, duly notarizing their signatures, all statements and documents referred to in this BID NOTICE, including the intermediation agreement between the ACCREDITED PARTICIPANT and the BIDDER, with the exception of the COMMERCIAL PROPOSAL.

17.5. Each Accredited Representative may only represent a single BIDDER.

18. ACCREDITED PARTICIPANTS

18.1. Bidders shall be obligatorily represented by ACCREDITED PARTICIPANTS, as provided for in this item.

18.2. The agency agreement to be entered into by and between the ACCREDITED PLAYER and the BIDDER, which shall have the minimum contents specified in ANNEX V – B3 PROCEDURE MANUAL, shall be provided along with the documents mentioned in item 17 of this BID NOTICE, according to the provisions set forth in ANNEX V – B3 PROCEDURE MANUAL.

18.3. The ACCREDITED PARTICIPANTS shall represent the BIDDERS before B3 upon delivery of all documents requested in this BID NOTICE, in compliance with the contents of each VOLUME.

18.4. Each ACCREDITED PARTICIPANT may only represent a single BIDDER, and each BIDDER may only be represented and take part in the BID through a single ACCREDITED PARTICIPANT.

CHAPTER IV – PROPOSAL GUARANTEE, COMMERCIAL PROPOSAL, AND QUALIFICATION DOCUMENTS

19. GENERAL RULES FOR SUBMITTING DOCUMENTATION

19.1. The VOLUMES shall be presented as detailed below.

19.2. Inside each VOLUME, there shall be a digital medium (pen drive), containing the exact copy of all documentation provided in the respective physical case, in non-editable PDF format file.

19.3. Each VOLUME's documentation shall be provided as (i) one original or certified copy, except for the PROPOSAL GUARANTEE, which shall be provided in its original form, as well as the performance bonds or bank guarantee with digital certification; and (ii) a second copy, as simple reprographic copy, provided that each counterpart shall be separately bound, duly initialed and sequentially number, further to include, at the beginning, a table of contents and their corresponding pages and, at the end, a closing sheet, so as to reflect the exact number of pages, with no amendments, erasures, implied senses or reservations, or any manuscript content allowed, allowed except public documents presented this way.

19.4. Without prejudice to the signatures to be included in specific fields, according to the forms provided in this BID NOTICE, all pages of the VOLUMES shall be duly initialed, always by the BIDDER's legal representative.

19.4.1. All documents that are undersigned may be signed physically or digitally with digital certification in the Brazilian Public Key Infrastructure standard - ICP-Brazil, provided that the document presented contains the means to verify its authenticity, including, without limitation, QR Codes and codes for validation in links to websites expressly indicated in the document in question.

19.5. All documents provided in this BID shall be in Brazilian Portuguese language, except as for technical current use expressions, typed and legibly printed.

19.5.1. Documents including handwritten contents, except for official and public documents originally provided in that manner, shall be deemed with erasures.

19.5.2. Documents having foreign origin provided in other languages shall be certified by the notary public of the Country of origin, certified by the Brazil's General Consulate for the Country of origin, and accompanied by sworn translation to the Brazilian Portuguese language prepared by sworn translator registered with any of the Boards of Trade in Brazil, as provided for in the Federal District number 8.660, of January 29, 2016, which enacts the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents, as the case may be. Powers of attorney having foreign origin shall, accompanied by the respective sworn translations, be registered with the Registry of Deeds and Documents.

19.6. Only and solely the documents required in this BID NOTICE shall be provided, avoiding duplicity or inclusion of unessential or unrequested documents.

19.7. The later inclusion of document or information that should have been originally included in the VOLUMES is hereby prohibited, except in the case of purely formal defects or a document that aims to clarify doubts about another document already presented, in which cases the BIDDING COMMITTEE

shall, justifiably, exercise the legal legal prerogative to cause diligence intended to clarify or complement supporting documentation for the process, as provided for in item 9.2 of this BID NOTICE and the art. 43, § 3, of Federal Law No. 8,666/1993.

19.8. The VOLUME 1, VOLUME 2 and VOLUME 3 shall be delivered, on the VOLUME RECEIPT DATE, at B3, located at Rua Quinze de Novembro, no. 275, São Paulo - SP, 01010-901, in the Municipality of São Paulo, State of São Paulo, through representative of the ACCREDITED PARTICIPANTS, as provided for in ANNEX V – B3 PROCEDURE MANUAL.

19.9. The BIDDER must deliver the 3 (three) VOLUMES, according to the item 26.1 on separate, opaque, closed envelopes with initials on its top flap, and each envelope shall include the following on its face:

CONCESSION OF THE REGIONALIZED PROVISION OF PUBLIC SERVICES OF WATER SUPPLY AND SANITATION AND COMPLEMENTARY SERVICES OF THE MUNICIPALITIES OF THE STATE

VOLUME 1 – PROPOSAL GUARANTEE
Public Bidding no. 01/2021– Concession of regionalized provision of public services of water supply and sanitation of Municipalities of Amapá State
BIDDER’s corporate name or designation
ACCREDITED PLAYER’s corporate name or designation

VOLUME 2 – COMMERCIAL PROPOSAL
Public Bidding no. 01/2021 – Concession of regionalized provision of public services of water supply and sanitation of Municipalities of Amapá State
BIDDER’s corporate name or designation
ACCREDITED PLAYER’s corporate name or designation

VOLUME 3 – QUALIFICATION DOCUMENTS
Public Bidding no. 01/2021 – Concession of regionalized provision of public services of water supply and sanitation of Municipalities of Amapá State
BIDDER’s corporate name or designation
ACCREDITED PLAYER’s corporate name or designation

19.10. When delivering the VOLUMES, the BIDDERS express full knowledge that:

19.10.1. they answer for the truth and accuracy of the information included in the documents submitted thereby;

19.10.2. they authorize the BID COMMITTEE to conduct, at any phase of the BID, the diligences it sees fit for clarifying and complementing supporting documentation for the process, so the later inclusion of document or information that should be originally included in the envelopes is hereby prohibited; and

19.10.3. they know the conditions and other installations existing in the CONCESSION AREA, as well as the characteristics of the SERVICES subject matter of the CONCESSION.

19.11. In the event of divergence between the rules included in ANNEX V– B3 PROCEDURE MANUAL and this BID NOTICE, the rules included in this BID NOTICE supersede.

19.12. Further to the PROPOSAL GUARANTEE documents informed in item 20, the BIDDER shall, inside VOLUME 1, provide the statements set out below, according to form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS of this BID NOTICE:

19.12.1. Statement of independent preparation of proposal; and

19.12.2. Statement knowledge of tie criteria provided for in Article 45, § 2, and Article 3, § 2, of the Law no. 8.666/93.

19.13. Should the BIDDER become the winner from the application of the legal prerogatives referred to in item 19.12.2, it shall give evidence thereof by delivering documents, one copy only, for analysis by the BIDDING COMMITTEE, in term to be established thereby.

20. PROPOSAL GUARANTEE

20.1. Each BIDDER shall, for covering the liabilities provided for in this BID NOTICE, and under Article 31, subsection III, of the Federal Law number 8.666/1993, provide PROPOSAL GUARANTEE in the amount of R\$ 22.689.632,19 (twenty-two million, six hundred and eight nine thousand, six hundred and thirty-two Brazilian *Reais* and nineteen cent).

20.2. The PROPOSAL GUARANTEE may be provided in any of the following modalities:

20.2.1. Cash bond, in the Country's currency;

20.2.2. Bond in treasury bonds, under item 20.5;

20.2.3. Performance bond, under item 20.6; or

20.2.4. Bank guarantee, under item 20.7.

20.3. The PROPOSAL GUARANTEE shall, in the modality chosen by the BIDDER, be obligatorily submitted in its original physical form or in electronic form with digital certification, and shall be delivered to the BID COMMITTEE in the VOLUME 1, on the VOLUME DELIVERY DATE.

20.4. Only instruments, assets and funds available on the VOLUME DELIVERY DATE shall be accepted.

20.5. When the PROPOSAL GUARANTEE is provided in the form of treasury bonds, only the Prefixed National Treasury Bills (“LTN”), Selic-Indexed Treasury Financial Bills (“LFT”), IPCA-Indexed National Treasury Notes – B Series - Principal (“NTN-B Principal”), IPCA-Indexed + Semiannual Coupon National Treasury Notes – B Series (“NTN-B”), Brazilian National Treasury Notes – C Series (“NTN-C”), or the Prefixed Semiannual Coupon National Treasury Notes – F Series (“NTN-F”) shall be accepted, which shall be issued on the book-entry form upon registration in centralized system for settlement and custody authorized by Banco Central do Brasil and assessed by its economic values, as established by the Ministry of Economy.

20.5.1. Security bonds shall be frozen according to the operating routines provided for in ANNEX V – B3 PROCEDURE MANUAL.

20.6. When the PROPOSAL GUARANTEE is provided as performance bond, it shall be issued by insurance company registered with the Superintendency of Private Insurance (“SUSEP”), and come into force one (1) day before the VOLUME RECEIPT DATE, in order to contemplate the 24 h of such date and meet the provisions in item 19.2 of Chapter I of the SUSEP Circular Letter no. 477/13, and to comply with the conditions in ANNEX II – MODEL OF LETTERS AND DECLARATIONS to this BID NOTICE.

20.7. In the case of bank guarantee, in the exact form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS of this BID NOTICE, it shall include specific clause of waiver, by the guarantor, of the benefit of order referred to in Article 827 of the Civil Code, which is binding thereon along with the BIDDER, in compliance with the provisions in Articles 835 and 838 of the Civil Code, which shall be provided in the exact form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS of this BID NOTICE, further to be issued by bank ranked between the first and second risk rate, that is, between A and B in the long term risk rating of, at least, one of the risk rating agencies among Fitch Ratings, Moody’s or Standard & Poors.

20.8. The PROPOSAL GUARANTEE shall remain effective for no less than one hundred and eighty (180) days contending from VOLUME DELIVERY DATE, so the BIDDER shall evidence, when so required and pursuant to the BID NOTICE, its renewal for equal period to the BID COMMITTEE up to ten (10) business days before the expiration of such term.

20.8.1. In the event that the BIDDER is incapable to evidence the renewal of the PROPOSAL GUARANTEE within the term set forth in item 20.8, it shall be given notice by the BID COMMITTEE to do so within a five (5)-day term from the receipt of the notification, subject to be disqualified in the BID and prevented from extending the effectiveness of its COMMERCIAL PROPOSAL.

20.8.2. Should the renewal occur in period exceeding one (1) from its original issue, the PROPOSAL GUARANTEE shall be adjusted according to the variation of the Comprehensive Consumer Price Index (“IPCA”) published by Brazilian Institute of Geography and Statistics (“IBGE”), between the month preceding the VOLUME DELIVERY DATE and the month immediately before the renewal.

20.9. In the event that BIDDER takes part individually, then the PROPOSAL GUARANTEE shall be provided in its own name. In the event of CONSORTIUM, the PROPOSAL GUARANTEE may be provided by one or more CONSORTIUM MEMBERS, in different modalities, provided that the total reaches the amount established and provided also that it includes the name of the CONSORTIUM, information on the CONSORTIUM MEMBERS and the leader (corporate name and Brazilian National Directory for Legal Entities), with their interest percentages.

20.10. Except as provided for in items 9.2.1, 9.2.2 and 9.2.3 of the BID NOTICE and hypotheses of actuation by the BIDDER in good faith, in the event that it gives rise to one of the hypotheses set out below the BIDDER shall be subject to the penalty of a fine corresponding to the whole amount of the PROPOSAL GUARANTEE, which shall be enforced in its full amount:

20.10.1. if the BIDDER removes its COMMERCIAL PROPOSAL during its effectiveness term;

20.10.2. if the BIDDER refuses to fails to comply with any of its obligations under the law or this BID NOTICE, including the refusal to enter into the AGREEMENT, if it is awarded as WINNING BIDDER;

20.10.3. if BIDDER declared winner fail to meet the requirements for execution of the AGREEMENT within the terms set forth in this BID NOTICE, unless for justified reason accepted by the BID COMMITTEE;

20.10.4. if the WINNING BIDDER performs acts intended to frustrate the bidding procedure's objectives; and

20.10.5. if the WINNING BIDDER fails to renew the PROPOSAL GUARANTEE in the term set forth in item 20.8.

20.11. Any modification in the terms and conditions of the PROPOSAL GUARANTEE after its submission, without the STATE's prior consent, is hereby prohibited.

20.11.1. The BID COMMITTEE may request complementation or substitution of the PROPOSAL GUARANTEE in hypotheses of loss of financial value or alteration of its quality.

20.12. The PROPOSAL GUARANTEE may not include disclaimer clause for the liabilities incurred by the BIDDER as regards its participation in the BID, under the BID NOTICE.

20.13. The PROPOSAL GUARANTEE provided by the BIDDERS shall be released, as the case may be, upon fifteen (15) days from (i) the publishing of the term sheet for the AGREEMENT; (ii) the publishing of the decision that judged the BIDDER ineligible or disqualified, provided that it has not filed appeal or it has been deemed definitely groundless; or (iii) the renewal or annulment of the BID, as the case may be.

20.14. Only representation documents from the issuer of the guarantees shall be provided inside VOLUME 1 if the record is out of date as provided for in ANNEX V – B3 PROCEDURE MANUAL.

20.15. The PROPOSAL GUARANTEE may be enforced for covering fines, penalties, and indemnifications possibly due by the BIDDERS to the STATE, by virtue of its participation in the BID, from the VOLUMES DELIVER DATE is submitted to the term provided for in item 20.13, without prejudice to the application of other penalties and residual liability for amount extrapolating the PROPOSAL GUARANTEE.

21. COMMERCIAL PROPOSAL

21.1. Each BIDDER shall, at its own account and risk, conduct investigations, surveys and studies, and develop projects for allowing the submission of its COMMERCIAL PROPOSAL.

21.2. The COMMERCIAL PROPOSAL shall be submitted in VOLUME 2 typed in clear and objective language, in the exact terms of the form included in ANNEX III – MODEL OF COMMERCIAL PROPOSAL to this BID NOTICE, and pursuant the presentation rules set forth in item 19.3, without errors or erasures, and it shall be signed by person legally in charge of the BIDDER or person legally capable to do so in behalf thereof.

21.3. The COMMERCIAL PROPOSAL of the BIDDER shall comply with the provision in items 5.3 and 5.4 of this BID NOTICE and the provisions pursuant in ANNEX III – COMMERCIAL PROPOSAL, containing the following:

21.3.1. information on the discount offered on the REFERENCE RATE amount in accordance to ANNEX VI - REFERENCE RATE STRUCTURE, limited to the rate discount of 20% (twenty percent) on REFERENCE RATE.

21.3.2. CONCESSION FEE, which minimum amount shall be, in any scenario, R\$ 50.000.000,00 (fifty million Brazilian reais).

21.4. In the elaboration COMMERCIAL PROPOSAL, the BIDDER shall observe the following:

21.4.1. Shall be offered discount on REFERENCE RATE, which cannot exceed the maximum amount of 20% (twenty percent);

21.4.2. In case of the BIDDER preset discount on REFERENCE RATE equal to 20% (twenty percent), the COMMERCIAL PROPOSAL may have CONCESSION FEE over than the minimum amount set forth in item 21.3.2.

21.5. The COMMERCIAL PROPOSAL with a discount of the REFERENCE FEE higher than 20% (twenty percent) or with CONCESSION FEE lower than the minimum set forth in item 21.3.2, will be automatically disqualified, as well as those manifestly unfeasible or financially incompatible with the

subject matter of the bidding process, pursuant to art. 15, II of Federal Law 8,987/1995, also observing art. 17 of said law.

21.6. In the event of divergence between the amounts expressed in numbers and their respective written values, the latter shall prevail.

21.7. The expiration date for COMMERCIAL PROPOSALS shall be one hundred and eighty (180) days from the VOLUME DELIVERY DATE, and all its conditions shall be maintained during such period.

21.8. Possible business plan developed by the BIDDER for the SERVICE provision and preparation of its COMMERCIAL PROPOSAL may not be included in the COMMERCIAL PROPOSAL, subject to the BIDDER's disqualification and application of penalty in the amount of the PROPOSAL GUARANTEE, with its consequent enforcement.

21.9. In the preparation of the COMMERCIAL PROPOSAL:

21.9.1. all liabilities and risks imputed to the CONCESSIONAIRE by this BID NOTICE, the AGREEMENT and the ANNEXES thereto shall be taken into consideration.

21.9.2. all costs concerning the compliance with the object of the AGREEMENT shall be comprised, including, but not limited to, amounts concerning charges and liabilities of the CONCESSIONAIRE regarding federal, state or municipal legislation that directly or indirectly impacts the provisions of the SERVICES, as well as all tax, labor and social security laws, which shall be solely borne thereby; costs with its subcontractors, suppliers and others; costs with mobilization and demobilization in the installation of works and services to be performed; other direct or indirect costs charged on the performance of the SERVICES subject matter of the CONCESSION; cost for contracting insurances and guarantees, for compliance with the terms and others required to comply with the liabilities provided for in the AGREEMENT, costs related to any expropriations and/or administrative easements necessary for the performance of the SERVICES;

21.9.3. no benefits or tax incentives that might be granted to the future CONCESSIONAIRE by the Federal Government, the STATE or Municipalities shall be considered during the CONCESSION term;

21.9.4. no other offers or advantages not provided for in this BID NOTICE, in the AGREEMENT and in its respective ANNEXES shall be taken into consideration, nor prices or advantages based on offers made by other BIDDERS.

22. QUALIFICATION DOCUMENTS

General provisions

22.1. The BIDDERS are obliged to meet the demands concerning legal QUALIFICATION, tax and labor compliance, technical qualification, economic-financial qualification and compliance with the provisions in subsection XXXIII, of Article 7, of the Federal Constitution, as provided for in Article 27 of the Federal Law no. 8.666/1993 and in this BID NOTICE.

22.2. Certificates required for the BIDDERS' QUALIFICATION, issued without informing the effectiveness term, shall be deemed effective for a ninety (90)-day term from the date of its issue.

22.3. Certificates obtained through the internet shall be accepted provided that they have been issued by official websites, and that the document informs the website where the information authenticity can be checked.

22.4. The BIDDER failing to submit any of the required documents or failing to meet any of the conditions concerning the QUALIFICATION, provided for in this BID NOTICE shall be deemed ineligible.

Legal QUALIFICATION

22.5. The legal QUALIFICATION shall be obtained through the submission of the following documents specified in art.28 of Federal Law 8,666/1993, especially:

22.5.1. in the case of individual company, submission of the BIDDER's trade record;

22.5.2. in the case of private corporations, submission of current charters, bylaws or articles of organization of the BIDDER, as effective at the time, accompanied by evidence of the managers then in charge or respective consolidation of the bylaws or articles of organization in force, with later amendments, if any, duly registered with the board of trade of its headquarters and, in the case of joint stock companies, accompanied by supporting documents for the election of the current executive board;

22.5.3. in the case of simple associations, submission of registration of the BIDDER's charters and all its subsequent amendments in force, duly registered with the Civil Registry of Legal Entities, accompanied by document specifying the current executive board;

22.5.4. In the event of foreign company or foreign company operating in the country, submission of authorization Decree and operation registration or authorization act issued by relevant body,.

22.6. When the BIDDER is a financial institution, it shall also submit evidence of authorization to operate as financial institution issued by Banco Central do Brasil (BACEN).

22.7. When the BIDDER is a complementary open-ended or close-ended private pension entity, it shall also submit express and specific authorization of organization and operation of complementary private pension entity granted by the relevant control body.

22.8. When the BIDDER is an investment fund, it shall also submit the following documents:

- a) certificate of registration of the investment fund with the Brazilian Securities and Exchange Commission, created by the Federal Law no. 6.385/76;
- b) charters with the latest amendment filed with relevant body;
- c) Updated regulation, pursuant published in Securities and Exchange Commission (Comissão de Títulos e Documentos Valores Mobiliários – CVM);
- d) certificate of registration of the administrator and, if any, of manager of the investment fund with the Brazilian Securities and Exchange Commission;
- e) evidence of election of the administrator’s representatives;
- f) evidence that the investment fund is duly authorized by its quotaholders to take part in the bidding procedure, through authorization arising out of the fund’s investment policy described in its regulation, and that its administrator can represent it in all acts and for all purposes of the BID, taking, in behalf of the investment fund, all liabilities and rights arising out thereof;
- g) evidence that the administrator and the fund are not under judicial liquidation proceeding, through certificate issued by the office(s) for the assignment of cases of its headquarters, or out-of-court liquidation, through certificate obtained through reference to the website of Banco Central do Brasil.

22.9. In the event of CONSORTIUM, the BIDDER shall submit the instrument of the consortium’s organization or Commitment to Organize SPE, subscribed by the CONSORTIUM MEMBERS, according to item 23.2 of this BID NOTICE.

Economic-financial qualification

22.10. The economic-financial qualification shall be obtained as follows:

22.10.1. In the event that the BIDDER is a private corporation, clearance certificate of petition for bankruptcy, receivership and out-of-court reorganization shall be submitted, which shall be issued by the judicial district’s office for the assignment of cases (Civil Benches) where the company is headquartered, with date not exceeding ninety (90) days before the date of public session.

22.10.1.1. The BIDDERS shall submit, along with the clearance certificates required, statement issued by the courthouse of its headquarters informing which Notary’s or Register Offices control the assignment of cases for bankruptcies and receiverships.

22.10.1.2. In the event that the certificate submitted is a liability one for receivership, confirmation of the approval of the receivership plan shall be required, duly approved and homologated by the relevant court.

22.10.2. When the BIDDER is a complementary open-ended or close-ended private pension entity, it shall further provide statement that the plans and benefits administered thereby are not under liquidation or intervention by the Superintendence of Private Insurance (“SUSEP”) of the Ministry of Economics or the Brazilian National Superintendence for Complementary Pension Plans (“PREVIC”) of the Ministry for Social Security;

22.10.3. When the BIDDER is an investment fund, it shall further provide clearance certificate or liability certificate with clearance effects for bankruptcy of the administrator and manager of the fund issued by the office(s) for the assignment of cases of the headquarters thereof, with date not to exceed ninety (90) days before the date of the BID’s public session.

22.10.4. In case of CONSORTIUM, one of its members shall, in the proportion of their interest in the CONSORTIUM, represent that it owns or is able to obtain sufficient financial funds, such as financings, for complying with the liabilities to contribute with own and third parties’ funds required to accomplish the object of this CONCESSION, under ANNEX II – MODEL OF LETTERS AND DECLARATIONS .

Technical qualification

22.11. The technical qualification shall be confirmed through the presentation of:

22.11.1. Certificate issued by private or government-owned company confirming that the BIDDER or its AFFILIATE has raised R\$ 470,000,000.00 (four hundred million and seventy thousands Brazilian *Reais*) for infrastructure ventures in any sector.

22.11.1.1. For confirming the amount provided for in subitem 22.11.1, the sum of amounts concerning different ventures shall be accepted, provided that, at least, one of the fundraisings correspond, at least, to twenty percent (20%) of the amount established in item 22.11.1, and certificates with amount lower than R\$ 15,000,000.00 (fifteen million Brazilian *Reais*), shall not be accepted.

22.11.1.2. In order to prove the amount established in item 22.11.1 by the BIDDERS, alone or in CONSORTIUM, shall be considered:

- (i) only amounts proportional to the percentage of participation of the BIDDER or AFFILIATE thereof in partnerships or consortiums where has been in charge of the execution of the venture subject matter of the certification.

(ii) The total value of the certificate, equivalent to 100% (one hundred percent), shall be taken into account in cases where the BIDDER or AFFILIATE thereof participation exceeds fifty percent (50%) in partnerships or CONSORTIUMS in charge of the execution of the venture subject matter of the certification.

22.11.1.3. In case of participation in a CONSORTIUM:

- (i) shall be allowed the summation of certifications of the CONSORTIUMS MEMBERS for the confirmation of the amount experience pursuant in item 22.11.1, since the CONSORTIUM MEMBERS owners of the certification have, each one, at least 30% (thirty percent) of participation in the CONSORTIUM;
- (ii) each CONSORTIUM MEMBER shall have considered the total value of certification, in accordance to the rules about appropriation and accounting method of capacitation quantitatives set forth in item 22.11.1.2, as providing that observed the minimum percentage of 30% (thirty percent) participation in the CONSORTIUM.

22.11.1.4. The document(s) for confirming the experience required in subitem 22.11.1. should inform the amount of funds raised and venture the funds were allocated to.

22.11.1.5. The amounts described in the document(s) for confirming the experience required in subitem 22.11.1 may be updated according to the IPCA or, in the lack thereof, another official inflation index or other index to become a substitute therefor, from the date when the financial operation has been contracted up to the month preceding the date of the BID's public session.

22.11.1.6. In the hypothesis that the amounts included in the confirmation documents are expressed in foreign currency, they shall be translated into Brazilian *Reais* through the foreign exchange rate in force on the date when the financial operation was contracted, and restated according to the precedent subitem up to the month preceding the BID's public session date.

22.11.1.7. The certifications(s) required in item 22.11.1. shall be supplemented by the BIDDERS, according to their discretion, by presenting the financial agreements or other documents that clarify or enhance elements of the experience subject matter of the certification.

22.11.2. Certificate issued by a public or private legal entity, drawn up in the name of professional with higher level professional, that has a professional relationship with the BIDDER or its AFFILIATE, and that proof the experience of this professional in senior executive positions equivalent, at least, to chief of operations or operations superintendent in a company responsible for the operation of water distribution systems and household sewage collection and treatment, including the direct provision of services to the population.in positions

22.11.2.1. In accordance to the item 22.11.2, the qualification may be attended by (a) certification drawn up in the name of professional that has experience in executive positions responsible for operation of water distribution systems cumulated with (b) certification drawn up in the name of professional that has experience in executive positions responsible household sewage collection and treatment.

22.11.2.2. The professional (s) to which the certificate (s) refer (es) shall be linked to the BIDDER or its AFFILIATE, by employment relationship, in the condition of administrator, by service provision contract or by letter of intent, and the BIDDER is responsible for presenting supporting documentation of such link together with the respective attestation (s).

22.11.2.3. In case of CONSORTIUM, the professional's relationship may be established with any CONSORTIUM.

22.11.2.4. If the link is due to an employment relationship, the BIDDER must present the Employee Registration Form (FRE) and the Work Card, duly updated.

22.11.2.5. In order to prove the investiture in a management position, the BIDDER must present proof of election of the managers in office, duly filed in the corporate registry or competent registry office.

22.11.2.6. In order to prove the link by means of a letter of intention, the BIDDER must present a technical assistance commitment instrument, with a recognized signature, whereby the qualified professional (s) must commit to provide technical advice to the BIDDER necessary for the execution of the CONTRACT

22.11.2.7. It's not allowed that the qualified professional(s) has link with more than one BIDDER.

22.11.3. The name and identification of the representative of the issuer of the certificates shall be provided, with updated information on telephones and email for contact for possible diligence by the BID COMMITTEE on the certificates' compliance, in case that those information are not specified in the certifications presented.

22.11.4. The certificates' noncompliance or failure to confirm their contents after diligences by the BID COMMITTEE shall imply the BIDDER's ineligibility, without prejudice to other applicable penalties for material forgery of the information provided.

22.11.5. In the event of alterations in articles of organization and in the events of merger, takeover or split, it shall only be considered the certificates unequivocally and documentarily confirming the final transfer of the technical assets.

22.11.6. Provided that the former conditions are complied with, it is permitted to submit certificates in behalf of the AFFILIATES, so the BIDDER shall, in the event of certificates for AFFILIATES, submit the stockholders' or partners' roster.

Tax and labor compliance

22.12. The BIDDER's Tax and Labor Compliance shall be confirmed by the provision of the following documents:

22.12.1. Proof of registration with the Brazilian National Directory for Legal Entities ("CNPJ");

22.12.2. Proof of registration with the state and municipal taxpayer records for the BIDDER's headquarters relevant to its line of business or, in the event that the BIDDER is not registered, proper statement of such status subject to the penalties provided for by the law.

22.12.3. Proof of good standing before the State Treasury of the BIDDER's domicile or headquarters through the submission of clearance certificate, or liability certificate with clearance effects for state tax debts or, in the event that the BIDDER is not registered, evidence of such status according to item 22.12.22.

22.12.4. Proof of compliance with the Municipal Department of Taxation and Finance for service taxes with respect to the BIDDER's domicile or headquarters, through submission of clearance certificate, or liability certificate with clearance effects or, in the event that the BIDDER is not registered, evidence of such status, as per item 22.12.2.

22.12.5. Proof of tax compliance with the National Treasury through submission of clearance certificate or liability certificate with clearance effects for debts concerning federal taxes and court collectible debts recorded with the Federal Government comprising the taxes administered by the Brazil's Federal Revenue Service ("RFB"), the Court Collectible Debt recorded with the Federal Government administered by the Office of the Attorney-General of the Brazilian National Federal Treasury Department ("PGFN"), and the social contributions provided for in subsections "a" to "d" of the sole paragraph of Article 11, of the Law no. 8.212/91;

22.12.6. Certificate of compliance with the Government Severance Indemnity Fund for Employees ("FGTS");

22.12.7. Labor Debt Clearance Certificate ("CNDT"), or Liability Certificate with the same effects of the CNDT.

22.12.8. Declaration that it is in compliant with the Ministry of Labor, in compliance with the prohibitions set forth in Article 7, subsection XXXIII, of the Federal Constitution, namely,

prohibition to night shift, hazardous or unhealthful to people under eighteen years old and any kind of work to people under sixteen years old, except as apprentice, from fourteen years old;

Declarations

22.13. BIDDERS shall also make the following representations according to the respective forms included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS to this BID NOTICE:

22.13.1. Declaration of full compliance with the qualification requirements;

22.13.2. Declaration that it has become aware of all local information and conditions for compliance with the liabilities subject matter of this BID; and

22.13.3. Declaration as for the nonexistence of fact that would prevent it from taking part in the BID.

23. PARTICIPATION THROUGH CONSORTIUM

23.1. The QUALIFICATION DOCUMENTS shall be individually confirmed by each of the CONSORTIUM MEMBERS integrating the BIDDER, it being understood that, with respect to the demands for Technical Qualification, they may be met by either CONSORTIUM MEMBER, provided that the conditions set forth in specific chapter are complied with.

23.2. Further to other documents required by the BID NOTICE, the BIDDER's participation through CONSORTIUM is conditioned to the submission of instrument of organization of CONSORTIUM or commitment to organize SPE, subscribed by the consortium members, including, at least, the following information:

23.2.1. the CONSORTIUM's name;

23.2.2. the purposes of the CONSORTIUM, only as regards the participation in the BID;

23.2.3. information of the interest's percentage of the CONSORTIUM MEMBERS in the CONSORTIUM;

23.2.4. information of the CONSORTIUM leader;

23.2.5. the granting of full powers to the leader of the CONSORTIUM for representing the CONSORTIUM MEMBERS, whether as party plaintiff and defendant, in and out of courts, in all acts connected with the BID, with authority to take liabilities in behalf of the CONSORTIUM;

23.2.6. representation of co-liability by the consortium members for acts performed in the BID; and

23.2.7. commitment that, should it be the winner of the BID, its CONSORTIUM MEMBERS shall organize a SPE, according to the Brazilian laws, as a joint stock company, with headquarters in the Municipality of Rio Branco, and with specific administrative, accounting and fiscal structure.

23.3. The ineligibility or disqualification, as the case may be, of any CONSORTIUM MEMBER shall automatically give rise to the CONSORTIUM's and each CONSORTIUM MEMBER's ineligibility or disqualification.

23.4. In the event of CONSORTIUM organized among Brazilian and foreign legal entities, the leadership shall be obligatorily exercised by the Brazilian entity.

23.5. The inclusion, substitution, withdrawal, removal or alteration of the participation of any CONSORTIUM MEMBER shall not be admitted from the VOLUME DELIVERY DATE to the signing of the AGREEMENT.

23.6. There shall be no restriction on the number of CONSORTIUM MEMBERS.

24. PARTICIPATION OF FOREIGN BIDDERS

24.1. Foreign BIDDERS shall provide all documents equivalent to the documentation required from the national BIDDERS and, additionally, the following documents:

- a) power of attorney granted to legal representative in Brazil, with express powers to receive summons and answer for its actions before administrative tribunals and legal courts, pursuant to form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS ;
- b) representation of subjection to the laws of the Federative Republic of Brazil and waiver of any claim through diplomatic channels, pursuant to form included in ANNEX II – MODEL OF LETTERS AND DECLARATIONS .

24.2. The foreign BIDDERS may, for QUALIFICATION purposes, submit documents from its main offices or respective branches equivalent to those requested for the QUALIFICATION of Brazilian legal entities, which comply with the legal requisites in the country where the foreign BIDDER is organized, in compliance with the requirements provided for in art. 32, § 4 of Federal Law No. 8,666/1993

24.3. In the event that there are no equivalent documents in respective countries of origin suitable to meet the requirements provided for in this BID NOTICE, the foreign BIDDERS shall submit representation stating such fact.

CHAPTER V – ANALYSIS AND JUDGMENT PROCEDURE

25. BID REFERENCE TIME SCHEDULE

25.1. The reference time schedule below is a mere indication, so it may be altered so as to partially or totally impact the dates foreseen.

Events	Event Description	Dates
1	Publishing of the BID NOTICE	May 27, 2021
2	Release of B3 PROCEDURES MANUAL	June 06, 2021
3	Deadline for scheduling technical visit	August 09, 2021
4	Deadline for submission of Request for Clarification	August 12, 2021
5	Deadline for carrying out technical visit	August 26, 2021
6	Deadline for answers to clarifications	August 20, 2021
7	Deadline of the term for NON-BIDDER to challenge the BID NOTICE	August 23, 2021
8	Deadline of the term for BIDDER to challenge the BID NOTICE	August 26, 2021
9	Deadline for publishing the judgment of NON-BIDDERS' BID NOTICE challenge	August 25, 2021
10	Deadline for publishing the judgment of BIDDERS' BID NOTICE challenge	August 27, 2021
11	Bid opening session: Receipt, by B3 and the BID COMMITTEE, of the volumes of the PROPOSAL GUARANTEE; (ii) COMMERCIAL PROPOSAL; and (iii) QUALIFICATION DOCUMENTS.	August 30, 2021
12	Disclosure of the result of the analysis of the PROPOSAL GUARANTEE and the BIDDERS capable to take part in the BID Public Session.	September 01, 2021
13	Public Session for opening the VOLUME 2 of BIDDERS the PROPOSAL GUARANTEES of which had been accepted.	September 02, 2021
14	Public Session for opening VOLUME 3	September 02, 2021
15	Publishing, on the website, of the COMMERCIAL PROPOSALS, as well as of its classification order.	September 22, 2021
16	Opening of the term for appeals	September 23, 2021
17	Deadline of the term for visits and for filing appeals.	September 29, 2021
18	Publishing of the judgment of appeals.	October 04, 2021
19	Adjudication of the subject matter of the BID to the WINNING BIDDER and homologation of the Result of	At the discretion of the Granting Power

	the BID by the STATE.	
20	Deadline for confirmation of the meeting, by the WINNING BIDDER, of the conditions precedent to the execution of the AGREEMENT, as informed in CHAPTER VI of the BID NOTICE.	Within 60 (sixty) days of event 19
21	Date provided for the execution of the AGREEMENT.	At the discretion of the Granting Power

26. RECEIPT AND ANALYSIS OF VOLUMES 1

26.1. On the VOLUME RECEIPT DATE, the BIDDERS shall deliver, at B3 headquarters, the VOLUME 1 – PROPOSAL GUARANTEE and Accreditation Documents, the VOLUME 2 – COMMERCIAL PROPOSAL; and the VOLUME 3 – QUALIFICATION DOCUMENTS.

26.2. At the BID’s public session, all of the BIDDERS’ VOLUME cases shall, still closed, be initialed by the members of the BID COMMITTEE and the BIDDERS’ representatives present thereat.

26.3. Later on, the BIDDING COMMITTEE shall cause the opening of VOLUME 1, which contains the PROPOSAL GUARANTEES, when their compliance with the requirements set forth in this BID NOTICE shall be verified.

26.4. The BIDDING COMMITTEE shall analyze the compliance and effectiveness of the PROPOSAL GUARANTEES submitted, supported by B3, and shall decide on the BIDDERS’ suitability.

26.5. The decision to accept or not the documents included in VOLUMES 1 shall be published on the website <https://concessaosaneamento.portal.ap.gov.br/>, according to the reference time schedule, and the opening of the appeals stage will take place according to item 29.1.

27. OPENING, EXAMINATION and JUDGMENT OF COMMERCIAL PROPOSALS

27.1. On the date provided on the reference time scheduled date, the VOLUMES 2 containing the BIDDERS’ COMMERCIAL PROPOSALS that had their PROPOSAL GUARANTEES accepted shall be opened, and the DIRECTOR OF THE PUBLIC SESSION shall cause the examination thereof, in the name of the BIDDING COMMITTEE, the reading and classification, as well as the initiation of open outcry auctions, according to the rules set out hereafter.

27.2. The following COMMERCIAL PROPOSALS shall be disqualified:

27.2.1. when submitted at variance of the form included in ANNEX III – MODEL OF COMMERCIAL PROPOSAL to this BID NOTICE, or when they not contain all documents required by the BID NOTICE;

27.2.2. when having erasures, stains, implied senses or language making difficult the accurate understanding of the statement;

27.2.3. when having amendments, qualifications or omissions;

27.2.4. when implying offer subject to condition or term not provided for in this BID NOTICE;

27.2.5. when the discount on REFERENCE RATE is over than the one set forth in item 21.4.1.

27.2.6. when the CONCESSION FEE presented by the BIDDER is lower than the one set forth in item 21.3.2.

27.2.7. when documents are not signed by authorized person or are not accompanied by supporting documents for execution and/or representation powers; or

27.2.8. when they have other defects capable to compromise its validity.

27.3. The ranked BIDDERS shall be those the COMMERCIAL PROPOSAL of which meet all requirements set forth in the laws in force and are also subject to the conditions and terms provided for in this BID NOTICE.

27.4. In the event that the Bidding Commission receives proposal from one ranked BIDDER only, it shall be deemed fit for the eligibility phase, should its COMMERCIAL PROPOSAL meet the requirements of this BID NOTICE.

27.5. Upon analysis of the COMMERCIAL PROPOSALS, the BID COMMITTEE shall rank them in decreasing order in relation of the discounts offered on the REFERENCE RATE, therefore, the first ranked shall be the COMMERCIAL PROPOSAL offering the highest discount on the REFERENCE RATE.

27.5.1. In case all COMMERCIAL PROPOSALS have been limited to the maximum discount of 20% (twenty percent) over the REFERENCE RATE and also do not present CONCESSION FEE proposals higher than the minimum amount of R\$ 50,000,000.00 (fifty million Reais), the COMMERCIAL PROPOSALS will be classified in descending order of the discounts offered in the viva voce bids, ranked in first place the BIDDER the offers the biggest discount on the REFERENCE RATE.

27.5.2. In the event that COMMERCIAL PROPOSALS presented are equal to the limit of 20% (twenty percent) of discount on the REFERENCE RATE, they will be classified in descending order, ranked in first place the COMMERCIAL PROPOSAL that offers the highest CONCESSION FEE amount, applying, subsidiarily, the criterion defined in ITEM 27.5.1 for COMMERCIAL PROPOSALS that do not equal the limit of rate discount established.

27.6. After the COMMERCIAL PROPOSALS are ranked, , the open outcry auction step among the BIDDERS shall be held in the following manner

27.6.1. In the event set forth in item 27.5.1, the BIDDERS that present valid COMMERCIAL PROPOSALS with rate discount 20% (twenty percent) less than the rate discount indicated in the BIDDER'S COMMERCIAL PROPOSAL ranked in first place will participate in the outcry auction bid;

27.6.2. In the event set forth in item 27.5.2, only the BIDDERS whose COMMERCIAL PROPOSALS indicates an amount up to 20% (twenty percent) less than the CONCESSION FEE indicated in the BIDDER'S COMMERCIAL PROPOSAL ranked in first place will participate in the outcry auction bid.

27.7. In the event that the open outcry auction bid is initiated and no bids are made by the BIDDERS, the COMMERCIAL PROPOSAL initially ranked in the first place shall be the best ranked proposal.

27.7.1. The open outcry auction bids shall meet the following requisites to be deemed valid:

(a) If the bid refers to a discount on the REFERENCE RATE, each bid shall increase the discount on the REFERENCE RATE having the highest amount at the moment when the bid was made, so intermediary bids are not accepted, considering that the rate discount is limited to 20 % (twenty percent) on the REFERENCE RATE; and

(b) If the bid refers to the CONCESSION FEE amount, the BIDDER shall present a higher CONCESSION FEE amount at the time the bid is submitted, not being allowed intermediary bids;

(c) shall respect the minimum variation amount to be established by the DIRECTOR OF THE SESSION, according to decision by the BID COMMITTEE, which variation shall have as reference the highest COMMERCIAL PROPOSAL offered up to then.

27.7.2. The maximum time between the bids shall be ten (10) minutes.

27.7.3. Should no BIDDER announce new proposal within the term determined by the DIRECTOR OF THE SESSION for new bids to be made, the winning proposal of the BID shall be that with the best bid offered up to then.

27.8. At the end of the open outcry auction step, if held, the DIRECTOR OF THE SESSION shall announce the final rank order of the BIDDERS, in decreasing order in relation to the amount of the CONCESSION FEE, and in the case of the CONCESSION FEE being equal to the minimum value of R\$ 50,000,000.00 (fifty million reais), in decreasing order of the amount of discounts offered on the REFERENCE RATE.

27.9. If open outcry auction step carries out, the ratification of the final bids must be done by signing the term of ratification issued by the BIDDING COMMITTEE at the BID's public session, or electronically, on the business day after the BID's public session, by e-mail, which must be sent to the addresses saneamento@seplan.ap.gov.br and leiloes@b3.com.br, in which case, the respective

ACCREDITED PARTICIPANT shall sign the minutes issued by the BIDDING COMMITTEE stating the bids offered.

27.9.1. COMMERCIAL PROPOSALS shall not be ratified in case of no open outcry auction step.

27.10. The BIDDER offering the highest discount on the REFERENCE RATE, or the biggest CONCESSION FEE, as the case may be, shall be ranked as first place.

27.11. In the event of tie between two or more COMMERCIAL PROPOSALS, the BID COMMITTEE shall verify the meeting of the preferences set forth in the subsections of § 2, of Article 3, of the Federal Law number 8.666/1993, and should the tie remains, they shall be ranked through lottery to be held at the same session, under § 2, of Article 45, of the Federal Law number 8.666/1993.

27.11.1. In the case of a consortium, if there is more than one consortium company that fits the preferences established in the clauses of §2 of art. 3 of Federal Law No. 8,666/1993, for classification purposes, the criteria of preference among them will be added, which will be included for the whole consortium.

27.12. The rank of the COMMERCIAL PROPOSALS shall be published at the web portal <https://concessaosaneamento.portal.ap.gov.br>, under the time schedule.

27.13. All acts performed at the BID's public session shall be drawn up in minutes to be executed by the accredited representatives of the BIDDERS attending the session, and by the BID COMMITTEE.

28. OPENING, EXAMINATION AND JUDGMENT OF QUALIFICATION DOCUMENTS

28.1. Subsequently to the announcement of the WINNING BIDDER, the VOLUME 3, containing the QUALIFICATION DOCUMENTS of the BIDDER ranked first, shall be opened so as to check the compliance with the eligibility requirements included in this BID NOTICE .

28.2. Upon checking the compliance with the requirements included in the BID NOTICE, the BIDDER shall be declared winner, and the object shall be awarded thereto upon completion of the appealing phase.

28.3. In the event of noncompliance with the qualification requirements by the ranked BIDDER, the winner of the bid shall be the BIDDER, which, according to the ranking order, meets such requirements, and the WINNING BIDDER's failure to qualify shall entail:

28.3.1. The establishment of a fine equivalent to the amount of the PROPOSAL GUARANTEE and the full enforcement of its PROPOSAL GUARANTEE for the payment of said fine when the BIDDER's actions are characterized pursuant to item 20.10; and

28.3.2. The opening of the QUALIFICATION DOCUMENTS of the BIDDER that has submitted the second-best bid, and so on, until a BIDDER meets the requirements of the qualification, in which case it shall be considered the winner.

28.4. Under § 3, of Article 48, of the Federal Law no. 8.666/93, when all BIDDERS are ineligible or disqualified, the BID COMMITTEE may fix an eight (8)-business day term for submission of new documentation or new proposals free from ineligibility or disqualification causes for each BIDDER.

29. APPEALS

29.1. The BIDDERS may appeal against the examination and analysis of the PROPOSAL GUARANTEES, and other documents of VOLUME 1, examination and judgment of the VOLUME 2 - COMMERCIAL PROPOSALS, and the examination and judgment of the VOLUME 3 - QUALIFICATION DOCUMENTS in sole appealing phase, which commence after the WINNING BIDDER is declared, pursuant the schedule of this BID NOTICE.

29.2. The decisions of the BIDDING COMMITTEE taken in any of the acts referred to in items 26, 27 and 28 shall be subject to appeal, which will have suspensive effect, after the publishing of the judgment minutes of the BID, according to the schedule and as provided in Article 109 of the Federal Law number 8.666/93, which may be sent to the email saneamento@seplan.ap.gov.br, or filed at the State Planning Secretariat, at Av. Fab, 1129, Centro Administrativo, Centro, Macapá - Amapá, on business days, from 9:00 am to 12:00 pm, by prior appointment to be made by e-mail saneamento@seplan.ap.gov.br.

29.3. The appeal shall be filed up to five (5) business days from the date when the minutes for the judgment of the BID declaring the WINNING BIDDER is published, and its contents may address any decision issued in the transaction of this bidding procedure.

29.4. Appeals sent by mail or fax shall not be accepted.

29.5. After the appeal is lodged, such lodging shall be informed to the other BIDDERS, which may challenge the appeal within a five (5)-business day term.

29.6. The appeal shall be addressed to the BID COMMITTEE, which may review its decision within a five (5)-business day term or, in that very term, send to relevant higher level authority to judge it, who shall issue decision within a five (5)-business day term from the receipt of the appeal, subject to penalty of liability.

29.7. The case records of the proceeding shall be open for examination by the interested BIDDERS from the date when the minutes of the judgment is published, according to schedule of the BID.

29.8. After the judgment of the possible appeals is finished, the result shall be disclosed at the website <https://concessaosaneamento.portal.ap.gov.br>, and published in the Official Gazette of the State of Amapá, and no appeal on decision of the relevant highest authority shall be applicable.

29.9. The result of the BID shall be submitted by the BID COMMITTEE to the highest authority with jurisdiction for homologation and adjudication of the object of CONCESSION.

CHAPTER VI – CONDITIONS FOR FORMALIZATION OF THE AGREEMENT

30. CALL FOR ENTER INTO THE AGREEMENT

30.1. Once the object of the BID is awarded, the WINNING BIDDER shall be called for, within a 60 (sixty)-day term from the call, complying with the formalities required, described in the following sections, allowing the CONCESSIONAIRE to enter into the AGREEMENT, , under penalty of declining its right to contract, without prejudice to the application of the fine provided for in the item 20.10.3. and the application of the penalties provided for in article 81 of Federal Law no. 8.666/1993

30.2. At the end of the term informed in item 30.1, the WINNING BIDDER shall provide the STATE with:

30.2.1. Documents concerning the organization of the SPE, to wit:

30.2.1.1. Certificate of the relevant board of trade;

30.2.1.2. Certificate of registration with the Brazilian National Directory for Legal Entities of the Ministry of Finance (“CNPJ/ME”);

30.2.1.3. Bylaws;

30.2.1.4. Stockholders’ agreement or comparable document, if any;

30.2.1.5. In the hypothesis of individual BIDDER, statement that the SPE is a wholly owned subsidiary, under the Corporation Law;

30.2.2. Description of the equity holding and management structure for the SPE, including:

30.2.2.1. description of the types of stocks;

30.2.2.2. stockholders and respective interests per type of stock;

30.2.2.3. information on the corporate member roster of the SPE, as applicable, and the holding companies thereof, as established in the draft of the AGREEMENT;

30.2.2.4. stockholders’ agreements of the SPE, when applicable;

30.2.2.5. identification of the main managers, including their respective résumés;

- 30.2.2.6. description of the corporate governance principles adopted in the SPE management; and
- 30.2.2.7. identification of the AFFILIATES, as defined in the draft of the AGREEMENT.
- 30.2.3. Confirmation of subscription and payment of the share capital of the SPE , observed the provisions in item 30.9, comprising:
- 30.2.3.1. minimum share capital, in the amount of, at least, R\$ 40,000,000.00 (forty million Brazilian *Reais*); and
- 30.2.3.2. additional minimum share capital calculated in accordance with subitem 30.8.
- 30.2.4. Contracting of the AGREEMENT PERFORMANCE BOND under this BID NOTICE and the AGREEMENT;
- 30.2.5. Proof of payment, by the WINNING BIDDER, of the refund ought to BNDES, corresponding to the CONCESSION's studies, according to item 33;
- 30.2.6. Proof of payment, by the ACCREDITED PLAYER representing the WINNING BIDDER, of compensation ought to B3, corresponding to R\$ 502,328.61 (five hundred and thirty-two thousand, three hundred and twenty-eight reais and sixty-one centavos), with base date of [●], updatable by the IPCA after the course of one (1) year , pursuant to the ANNEX V – B3 PROCEDURE MANUAL;
- 30.2.7. Proof of payment by the WINNING BIDDER of the amount of the CONCESSION FEE, as set out in the COMMERCIAL PROPOSAL and observing the provisions of the item 5.2 of this BID NOTICE.
- 30.2.8. Indication, by means of a declaration signed by the WINNING BIDDER, containing the name, personal data and training of the professional(s) who will be designated as technical responsible persons for the operation of the water distribution system and household sewage collection and treatment, accompanied by proof of the link between the professional(s) and the SPE.
- 30.2.9. Confirmation that SPE has a link with higher level professional who has experience in senior executive positions equivalent, at least, (i) to chief of operations or (ii) operations superintendent in a company responsible for the operation of water distribution systems and household sewage collection and treatment, including the direct provision of services to the population of, at least, 350,000 (three hundred and fifty thousand) inhabitants.
- 30.2.10. In case the administrative structure of the SPE includes distinct positions for the direction of the operations of (i) water distribution systems and (ii) household sewage

collection and treatment, it will be allowed for the experiences to which the item 30.2.9 refers, to be proven for each professional, refer only to the services effectively under their responsibility within the scope of the SPE.

30.2.11. The professional(s) may be linked to the SPE, by employment relationship, as officer, by service contract or by letter of intent.

30.2.12. In case of employment relationship, the BIDDER must present the Employee Registration Form (FRE) and the Work Permit, duly updated.

30.2.12.1. In order to prove the investiture in a management position, the BIDDER must present proof of election of the acting officers duly filed with the competent trade board or notary.

30.3. Once the requirements included in item 30.2 are complied, the SPE shall be called by the STATE for, within no more than five (5) business days, executing the AGREEMENT.

30.4. The terms provided for in subitem 30.1 and 30.3 may be extended for equal period if it is so requested by the WINNING BIDDER during their elapsing and provided that it arises therefrom justified reason accepted by the STATE.

30.5. The STATE is hereby authorized, when the SPE or the WINNING BIDDER fail to comply with the formalities provided for in item 30.2, within the term set forth or when the SPE fails to appear to execute the AGREEMENT within the term and conditions established, to convene the remaining BIDDERS in their ranking order and, in the event of compliance with the requirements included in the BID NOTICE, organize a SPE in equal term and in the conditions of the COMMERCIAL PROPOSAL of the first ranked.

30.6. The AGREEMENT shall be entered into by and between the STATE, as representative of the holders of the services granted, and the SPE, with the intervening consent of the REGULATORY AGENCY.

30.7. In case of refusal of the WINNING BIDDER to enter into the AGREEMENT, the remaining BIDDERS may be summoned, in order of classification, to do so in the same term and under the same conditions of the WINNING BIDDER's COMMERCIAL PROPOSAL, according to § 2 of art. 64 of Federal Law no. 8.666/193, in which case their qualification documents shall be analyzed, observing the provisions in item 28.3 of this BID NOTICE.

30.8. The additional minimum share capital will be calculated based on the discount percentage presented in relation to the REFERENCE RATE.

30.8.1. Shall be paid an additional minimum share capital only if the discount exceeds 10% (ten percent) of the REFERENCE RATE.

30.8.2. The additional minimum share capital to be subscribed and paid in before the CONTRACT is signed will be calculated according to the following methodology:

30.8.2.1. Additional contribution of R\$ 1,000,000.00 (one million Brazilian *Reais*) for each percentage point of negative goodwill above 10% of the REFERENCE RATE;

30.8.2.2. In the case of non-integer negative goodwill, the additional contribution amount will be calculated proportionately, respecting the established in subitem 30.8.2.1.

31. THE CONCESSIONAIRE

31.1. For the execution of the AGREEMENT, the WINNING BIDDER shall organize a SPE in compliance with the Brazilian laws, with headquarters in the city of Macapá.

31.2. Should the WINNING BIDDER be an individual BIDDER, the SPE shall be its wholly-owned subsidiary.

31.3. In the event of CONSORTIUM, the WINNING BIDDER shall organize the CONCESSIONAIRE according to the equity holding composition provided in the instrument for organization of consortium or commitment to organize consortium provided in the BID.

31.4. The CONCESSIONAIRE's actual control shall be exercised by the company or group of companies bound by voting agreement, holding partner's rights permanently assuring thereto the majority of votes in resolutions of the general meeting and the power to elect the majority of managers of the company, and actually using its power to direct the corporate activities and guide the operation of the company's bodies, as provided for in Article 116 of the Federal Law number 6.404/76.

31.5. The CONCESSIONAIRE organized by the WINNING BIDDER shall assume the form of a corporation and shall have as its sole object the performance of SERVICES and the exploitation of sources of ADDITIONAL REVENUES and related activities, so as to make its compliance feasible.

31.6. The term of the CONCESSIONAIRE shall correspond to the term required for compliance with all of its liabilities provided for in the AGREEMENT.

32. AGREEMENT PERFORMANCE BOND

32.1. So as to assure the strict compliance with the liabilities to be taken by the CONCESSIONAIRE in reason of the AGREEMENT, within the term informed in item 30.1, the CONCESSIONAIRE shall submit to the STATE the confirmation that it has posted the AGREEMENT PERFORMANCE BOND, to be provided as follows:

i. in the first six (6) years of the AGREEMENT performance, the AGREEMENT PERFORMANCE BOND shall be 226,800,000.00 (two hundred twenty-six million and eight hundred thousand reais).

ii. after the elapsing of the sixth (6th) year of performance of the AGREEMENT, and up to the end of the twelfth (12th) year of performance of the AGREEMENT, the amount of the AGREEMENT PERFORMANCE BOND shall be R\$ 113,400,000.00 (one hundred thirteen million, four hundred thousand reais).

iii. after the elapsing of the thirteenth (13th) year of performance of the AGREEMENT, and up to the end of the thirtieth (30th) year of effectiveness of the AGREEMENT, the amount of the AGREEMENT PERFORMANCE BOND shall be R \$ 34,035,000.00 (thirty-four million and thirty-five thousand reais).

iv. after the elapsing of thirty-first (31st) year of performance of the AGREEMENT, and up to the end of the AGREEMENT effectiveness, the amount of the AGREEMENT PERFORMANCE BOND shall be R\$ 226,800,000.00 (two hundred twenty-six million and eight hundred thousand reais).

32.2. The AGREEMENT PERFORMANCE BOND amounts for the years 03 to 13 of the CONCESSION, as provided for in clause 16.1, shall:

32.2.1. be increased by the amounts corresponding to 25% (twenty-five percent) of the amount defined for ADDITIONAL INVESTMENTS, as defined in clause 50;

32.2.2. the added value, provided for in item 32.2.1, will be progressively reduced each year, as the ADDITIONAL INVESTMENTS are carried out, observing the percentages defined in sub-clause 50.5 of the AGREEMENT;

32.2.3. The added value, referring to ADDITIONAL INVESTMENTS, will be limited to R\$ 100,000,000.00 (one hundred million reais).

32.3. The AGREEMENT PERFORMANCE BOND shall have the STATE, as representative of the holders of the service, as beneficiary, which shall be provided in one of the following forms, under Article 56 of the Federal Law no. 8.666/93:

32.3.1. cash bond, in the Country's currency;

32.3.2. treasury bonds, which shall be issued in book-entry form, through registration with centralized system for settlement and custody authorized by Banco Central do Brasil and appraised according to their economic values, as defined by the Ministry of Economy;

32.3.3. surety bond; or

32.3.4. bank guarantee.

32.4. When the AGREEMENT PERFORMANCE BOND is provided in the form of treasury bonds, only Prefixed National Treasury Bills (“LTN”), Selic-Indexed Treasury Financial Bills (“LFT”), IPCA-Indexed National Treasury Notes – B Series - Principal (“NTN-B Principal”), IPCA-Indexed + Semiannual Coupon National Treasury Notes – B Series (“NTN-B”), or Prefixed Semiannual Coupon National Treasury Notes – F Series (“NTN-F”) shall be accepted, which shall be issued in their book-entry form, through registration in centralized system for settlement and custody authorized by Banco Central do Brasil, and appraised according to their economic values, as defined by the Ministry of Economy.

32.5. In the hypothesis of provision in national currency or treasury bonds, the CONCESSIONAIRE shall create bank guarantee, expressed in original document, addressed to the STATE, dated and signed by custodian financial institution for the bonds given as guarantee, which shall include:

32.5.1. the pecuniary amount of the bond or of said treasury bonds, clearly identified, shall be fiducially transferred to the STATE as security for the compliance with the CONCESSIONAIRE’s liabilities in the AGREEMENT;

32.5.2. the identification of the fiducially transferred bonds, clarifying that they are bonds regulated by the Federal Law number 10.179/01; and

32.5.3. that the STATE may enforce the bond in the conditions provided for in the AGREEMENT.

32.6. In the case of bank guarantee, it shall include specific waiver clause, by the guarantor, to the benefit of order mentioned in Article 827 of the Civil Code, which is binding thereon along with the BIDDER, in compliance with the provisions in Articles 835 and 838 of the Civil Code and the conditions in the form included in the AGREEMENT.

32.7. When surety bond, the original or digital copy of the policy shall be provided, duly certified, or even its second copy issued on the STATE’s behalf, provided by insurance company registered with the Superintendency of Private Insurance (“SUSEP”), in compliance with the conditions set out in the form included in the AGREEMENT.

32.8. The AGREEMENT PERFORMANCE BOND offered may not have any kind of qualification or conditions that may make it harder or prevent its performance, or which may leave doubts as to its consistency, and may be enforced by the STATE, in accordance with the conditions set forth in the AGREEMENT.

32.9. All expenses arising out of the AGREEMENT PERFORMANCE BOND shall be borne by the CONCESSIONAIRE and its stockholders, as the case may be.

33. REFUND OF THE STUDIES TIED TO THE CONCESSION

33.1. Within the deadline of item 30.1, the WINNING BIDDER must prove the payment in full of up to R\$ 1,800,000.00 (one million eight hundred thousand BRL), corresponding to the studies related to the CONCESSION, in favor of the National Bank of Economic and Social Development - BNDES.

33.1.1. The value indicated in item 33.1 shall be updated annually by the IPCA, published by IBGE, or, in its absence, by another official inflation index, as of 16/11/2017, and shall be paid through a bank slip (*boleto*) issued by BNDES.

33.2. In addition to the amount set out in the subitem 33.1, the WINNING BIDDER shall prove the respective payment in the amount of R\$ 8,192,059.79 (eight million, one hundred and ninety-two thousand, fifty-nine reais and seventy-nine cents), as reimbursement to BNDES, in accordance with Contract 17.2.0030.3, entered into between BNDES and the STATE, published on [•], in the Official Gazette of the STATE, as per article 21 of Federal Law 8,987/95.

33.2.1. The value indicated in item 33.2 shall be updated monthly by the IPCA, published by IBGE, or, in its absence, by another official inflation index, as of [•]/[•]/[•], and shall be paid through a bank slip (*boleto*) issued by BNDES.

CHAPTER VIII – FINAL PROVISIONS

34. NOTICES

34.1. All notices concerning the BID, given to the BID COMMITTEE, shall be considered as delivered on the date of its receipt by the addressee, except for those received after 06:00 p.m., including, in the event of notices given through email, which shall be considered as received on the business day immediately subsequent.

34.2. All notices connected with the BID, given to the BID COMMITTEE, shall be written in Brazilian Portuguese.

34.3. For the purposes of this BID, representations, requests for clarifications, challenges and any other documents digitally signed with digital certification in Brazil's Public-Key Infrastructure ("ICP Brasil") standard shall be accepted, provided that the document submitted contains a means for verification of its authenticity, including, without limitation, QR Codes and codes for validation in links to websites expressly indicated in the document in question..

35. TERM COUNTING

35.1. In the term counting addressed in this BID NOTICE, the beginning date shall be excluded and the expiration day shall be included, which shall be considered as consecutive days, unless when explicitly provided for otherwise.

35.2. Terms are only initiated and expired on business days for the STATE.

36. MISCELLANEOUS

36.1. Disputes arising out of the application of this BID NOTICE, as well as casus omissus, shall be solved by the BIDDING COMMITTEE or, upon adjudication of the object of the BID, by the STATE, in compliance with the relevant laws.

36.2. The rules of this BID shall be interpreted in favor of the broadening of the competition, respecting the equality of opportunity among the BIDDERS, provided that they do not compromise the public interest, the purpose and the security of the hiring process.

36.3. After the adjudication of the object of the BID up to the execution of the AGREEMENT, the STATE is reserved the right to solve any and all individual case not provided for in this BID NOTICE and everything else, which, in any manner whatsoever, is directly or indirectly connected with its object.

36.4. The terms provided for in this BID NOTICE, as well as the clauses and conditions of the AGREEMENT and those included in the others ANNEX thereto are complementary to each other, so one document shall refer to the other in the case of doubts or omission, and the construction rules provided for in the AGREEMENT shall be observed.

36.5. The BID referred to in this BID NOTICE may be postponed, revoked for reasons of public interest, as consequence of supervening fact duly confirmed, or annulled, without any kind of indemnification to be due to the BIDDERS for such reasons, according to Article 49 of the Federal Law number 8.666/93.

Macapá/AP, May 27, 2021