

FEDERAL GOVERNMENT

SECRETARIAT OF PORTS OF THE PRESIDENCY OF THE REPUBLIC – SEP/PR

NATIONAL WATERWAY TRANSPORTATION AGENCY – ANTAQ

ANNEX 1 – SPECIFIC CONDITIONS OF NOTICE

**AUCTION No. 04/2016-ANTAQ, FOR LEASING A PUBLIC AREA AND INFRASTRUCTURE FOR
MOVEMENT AND STORAGE OF BULK MINERAL SOLIDS LOCATED WITHIN THE ORGANIZED PORT OF
SANTARÉM, IN THE STATE OF PARÁ, DESIGNATED STM02.**

Summary

1. Chapter I – Initial provisions **Erro! Indicador não definido.**
Section II - Object
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4. Chapter VI – Lease contract **Erro! Indicador não definido.**

References to Chapters, Sections and Subsections in this Annex indicate the respective Chapters, Sections and Subsections of the General Conditions of the Auction Notice.

1. Chapter I – Initial Provisions

Section II - Object

1.1. The objective of this Auction is leasing of public areas, infrastructures and port facilities located in the Port of Santarém (Pará), for purposes of performance of the Activities.

1.1.1. The total area of the Santarém Lease – identification code STM02 – encompasses approximately 26,600 m² (twenty six thousand, six hundred square meters), composed of land areas in which the equipment and edifications to be utilized in unloading (unloading, internal movement, storage and dispatch) and loading operations (reception, storage, internal movement and loading) of bulk mineral solids compatible with such facilities and equipment have already been or will be implemented according to the rules set down in the Contract and its Annexes.

1.2. The complete description of the port areas, infrastructures and facilities can be found in Annexes 3 and 4 - Draft of Lease Contract – General and Specific Parts, in the Annexes of this Auction Notice.

1.3. The Activities to be performed by the Lessee in the Lease Area consist of movement and storage of bulk mineral solids, according to the terms and conditions stated in the Contract and its Annexes.

Section V – Technical Visits

1.4. Technical visits should be scheduled directly with the Santarém Port Administrator, located at Avenida Cuiabá, s/n. Bairro Vera Paz, Santarém/PA and formalized using the electronic address: visita.cdp@cdp.com.br, utilizing the appropriate form.

2. Chapter IV – Documentation

Section III – Proposal Guarantee

2.1. The Proposal Guarantee should be provided in the minimum amount R\$ 7,511,412.04 (seven million, five hundred and eleven thousand, four hundred and twelve reais and four centavos).

Section IV – Lease Proposal

2.2. The Proponent should submit its Proposal for the Lease site according to the model in Annex 1.

2.3. The Lease Proposal will consist of the largest Bid Value to be paid to the FEDERAL GOVERNMENT.

2.4. In its Lease Proposal, the Proponent should indicate the Bid Value in reais to be paid to the FEDERAL GOVERNMENT expressed with a maximum of 2 (two) decimal points. Submission of amounts of less than R\$ 1,00 (one real) is prohibited.

3. Chapter V – Auction Stages

Section III - Public Auction Session

3.1. The Public Auction of the Lease Site governed by this Notice will occur through a Public Tender Session, encompassing opening of the Proposals, classification of the Proponents and, should the case arise, an open-outcry Auction.

3.2. The Auction judgment criterion is the largest Bid Value to be paid to the FEDERAL GOVERNMENT for the assign with consideration of the Lease Area, such amount being presented in reais with a maximum of up to 2 (two) decimal points.

3.3. Once the Proposals have been opened, they will be organized according to the criterion of largest Bid Value.

- 3.4. The classified Proponents will be those whose Proposals comply with the totality of the demands defined in applicable legislation and that have submitted to the conditions and terms foreseen in the General Conditions and in these Specific Auction Conditions.
- 3.5. If a proposal is received for the Lease Site from only one classified Proponent, that proponent will be considered the winner of the Lease site.
- 3.6. If the Lease site receives 2 (two) or more proposals, an open-outcry Auction will be held.
- 3.7. The classified Proponents whose bids have complied with at least one of the following conditions will participate in the open-outcry Auction:
- 3.7.1. The participant must be classified among the 03 (three) largest bids for the Lease site;
 - 3.7.2. The value of the bid must be equal to or greater than 90% (ninety percent) of the Bid Value offered by the Proponent whose Proposal corresponds to the largest bid for the Lease site.
- 3.8. Only those Proponents whose bids have satisfied the terms of item 3.7. may present bids in the open-outcry auction.
- 3.9. Each bid should surpass the amount of the bid put forward by that Proponent for that Lease site, considering that the bid:
- 3.9.1. should respect the minimum interval between bids, which will be defined by the Director of the Public Auction Session;
 - 3.9.2. should respect the maximum time between bids defined by the Director of the Public Auction Session;
 - 3.9.3. should alter the classification of the Proponent; and

- 3.9.4. cannot be an amount that is identical to the bid of another Proponent.
- 3.10. The Director of the Public Auction Session will declare the Auction adjourned when the time period allowed for new bids has expired and no Proponent has made a new bid that meets the conditions determined in item 3.9.
- 3.10.1. Once the Auction has ended, the Proponent who has submitted the largest Bid Value to be paid to the FEDERAL GOVERNMENT for the assign with consideration of the Lease site will be declared the winner of the Lease site.
- 3.11. Immediately following closing of the Auction, the Proponent declared winner of the Lease site should ratify its Proposal through presentation of a letter, in the terms of the model in Annex 2, stating the winning bid.
- 3.12. In the case of a tie between Proposals for the same Lease site, the tie will be broken by means of a drawing to take place in the same Public Session.

4. Chapter VI – Lease Contract

Section I – Obligations Prior to Formalization of the Contract

- 4.1. Convocation of the Winning Bidder for signing of the Contract will be preceded by a formal manifestation on the part of the appropriate environmental entity for the purpose of determining the environmental licensing of the Lease site, according to the terms of article 14, item III of Law no. 12,815/2013.
- 4.2. Corroboration of payment to BM&FBOVESPA of its remuneration in the amount of R\$ 76,546.86 (seventy six thousand, five hundred and forty six reais and eighty six centavos) must be submitted.

4.3. Corroboration of payment to the FEDERAL GOVERNMENT of the amount corresponding to 25% (twenty five) percent of the Bid Value proposed by the Winning Proponent must be submitted, with the remainder of the Bid Value being paid in 5 annual installments, according to the conditions determined in Annex 4 - Draft of the Lease Contract – Specific Part.

4.4. Based on the orientation to be issued by ANTAQ, corroboration of payment to the company charged with performing the studies underlying this Notice must be presented, as authorized by article 21 of Federal Law no. 8987/95, SEP/PR Directive no. 38/2013 and the General Conditions of the Notice, in the amount of R\$ 335,776.27 (three hundred and thirty five thousand, seven hundred and seventy six reais and twenty seven centavos).

Annex 1

Model for Submitting Lease Site Proposal

[locality], [•] de [•]2016

To the National Waterway Transportation Agency – ANTAQ

Re.: Auction Notice no. 04/2016 – Lease Proposal

Dear Sirs,

1. In response to the convocation issued on [date] to an **Auction**, we hereby present our **Lease Proposal** for the Lease site STM02.

2. We irrevocably and irreversibly propose the Bid Value of R\$ [-] ([-]) reais, considering the **Date for Reception of the Envelopes** as the base date, for the lease that is the object of the proposal], according to the terms and conditions stated in the **Notice** and its **Annexes**.

3 We expressly declare that:

3.1 this **Lease Proposal** was elaborated with due consideration of all the applicable conditions for payment of the Bid Value and the **Lease Value** (fixed and variable), in the precise terms of the Notice and its Annexes.

3.2 this **Lease Proposal** is valid for 1 (one) year, as of the **Date for Reception of the Envelopes**, and said period can be extended for an equal period, as specified in the **Notice**;

3.3 we fully agree and have no restrictions whatsoever regarding the obligation of Minimum Required Movement in item 5 of Annex 2 - Technical Guidelines and Lease Parameters, as well as the contracting conditions determined in the **Notice and its Annexes** and in the **Contract and its Annexes**;

3.4 we hereby acknowledge that any extension of the validity of the **Contract** is a decision that is the exclusive right of the Grantor Authority and that there is no subjective right to such an extension;

3.5 we hereby confirm that we are fully knowledgeable of the subject of the Lease, of the Activities to be performed, of the conditions for submitting this Proposal and of execution of the work;

3.6 from this point forward, we assume full responsibility for the Activities in keeping with the provision in the Contract and in its Annexes, ANTAQ regulations and those of the Organized Port, and any and all other applicable legislation; and

3.7 we have fully complied with all the obligations and demands contained in the **Notice and its Annexes**.

4. The Terms indicated in capital letters contained in this **Lease Proposal** and not defined otherwise will have the meanings attributed to them in the **Notice**.

Cordially,

[Proponent]/[Legal Representatives]

Annex 2

Model for Ratification of the Lease Proposal

[locality], [•][•]2016

To the National Waterway Transportation Agency – ANTAQ

Re.: **Auction Notice no 04/2016** – Area: [reference of LEASE AREA] - Letter of Ratification of Proposal.

Dear Sirs,

1. For purposes of notice no. 04/2016, the (Name and characterization of the Proponent) hereby ratifies its Lease Proposal submitted in the Auction, irrevocably and irreversibly proposing the Bid Value of R\$ [-] ([-] reais), which will be paid to the FEDERAL GOVERNMENT, according to the conditions foreseen in the Notice and its Annexes.

Cordially,

[Proponent]/[Accredited Representative]