

INTERNATIONAL COMPETITION N° 001/SVMA/2018

CONCESSION FOR THE PROVISION OF THE MANAGEMENT, OPERATION AND MAINTENANCE SERVICES OF PARKS *IBIRAPUERA, JACINTHO ALBERTO, EUCALIPTOS, TENENTE BRIGADEIRO FARIA LIMA, LAJEADO* AND *JARDIM FELICIDADE*, AS WELL AS THE EXECUTION OF WORKS AND ENGINEERING SERVICES.

DRAFT CONTRACT

ANNEX III- SET OF SPECIFICATIONS OF THE CONCESSIONAIRE

APENDIX III – GUIDELINES FOR THE PREPARATION OF THE OPERATIONAL TRANSFER PLAN

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1. Introduction

In order to ensure an effective transition of the PARKS operation between the GRANTING AUTHORITY and the CONCESSIONAIRE, and minimizing the impact on the USERS and the current activities performed, the CONCESSIONAIRE will develop an Operational Transfer Plan (OTP).

As part of the Operational Transfer Plan, a Transition Committee will be created, led by the CONCESSIONAIRE and with the participation of representatives of the following organs and entities:

- Municipal Secretariat of Green and the Environment (Portuguese acronym: SVMA);
- Administrators of PARKS;
- Representatives of contracted companies;
- Representatives of other institutions that have responsibility for managing some area of the park;
- CONCESSIONAIRE; and
- USERS.

In the case of the IBIRAPUERA PARK, the Transition Committee will also have representatives of the permit holders, the independent salesmen, and the EQUIPMENT NOT GRANTED.

The Transition Committee shall remain active until the end of the TRANSITION PERIOD OF THE CONCESSION, according to ANNEX III – SET OF SPECIFICATIONS OF THE CONCESSIONAIRE, and shall meet monthly to accompany and support the achievement of the Operational Transfer Plan or when convened by the GRANTING AUTHORITY.

The CONCESSIONAIRE, in turn, shall establish a Transition team with managerial focus to assume the responsibilities of the operation of the PARKS during the TRANSITION PERIOD OF THE CONCESSION.

2. Objectives of the OPERATIONAL TRANSFER PLAN

The Operational Transfer Plan has the following general objectives:

- The transfer without interruption of the operation of the PARKS according to its implementation schedule; and
- The evaluation and improvement of the current operation of the PARKS.

To achieve these goals, the following actions should be planned.

2.1. Transfer without interruption of the operation of the PARKS

The CONCESSIONAIRE shall identify the activities required for each member of the Transition Team to ensure the continued operation of the PARKS, including its timeline for such activity.

2.2. Evaluation and improvement of the operation

In order to evaluate and maintain the operation of the PARKS with improvement of its level of service, the CONCESSIONAIRE shall implement the following actions:

- To guarantee the maintenance of the operation of the PARKS in acceptable levels to the adequate assistance of the USERS; and:
- Prepare the PARKS Operations Manual.

The CONCESSIONAIRE shall coordinate with the PARKS' Administrators the planning and execution of works in order to maintain the operation at levels acceptable to the adequate assistance of the USERS.

3. Guidelines for the Preparation of the OPERATIONAL TRANSFER PLAN

In preparing the OTP, the CONCESSIONAIRE shall take into account the need to establish full communication with all interested parties regarding the potential problems of the transition from the first day of effectiveness of the CONTRACT.

During the preparation of the Plan, the CONCESSIONAIRE should meet with groups of employees, permit holders, government agencies and other interested parties to define specific concerns and problems to be covered in said.

The following items provide indications about the content of the OTP and how it should be structured.

- PARKS Management Transition Plan;
- Human Resources Transition Plan; and
- Communication and Information Plan to the USER.

3.1. PARKS Management Transition Plan

The Management Plan should propose the composition of the Transition Team, which will include people to be allocated in the key areas of the PARKS, especially in the administration of the PARKS.

The Plan shall consider that, during Stage 2 (Assisted Operation), the Transition Team will function as an organization to support the current administration of the PARKS, in which the managers appointed by the CONCESSIONAIRE shall validate the decisions that may have a direct impact on the transition, within its areas of responsibility. Thus, the Plan should indicate the model of governance to be adopted and the main decisions to be shared. In the absence of a consensus between the decisions of the current administration and the CONCESSIONAIRE, the matter shall be submitted to the GRANTING AUTHORITY.

The Management Plan should also consider how the Transition Team will develop in terms of composition and responsibilities in order to initiate Stage 3 (Transfer Operation) with an administrative structure fully prepared to assume all the responsibilities of the OBJECT. Therefore, the CONCESSIONAIRE must undertake to implement, at the beginning of Stage 2 (Assisted Operation), an organizational structure with the experience, capacity and leadership to direct the specific activities of the transition.

To ensure the effective transfer of information about the future organization, the CONCESSIONAIRE shall:

- Prepare an information document on the new organization, which should describe the proposed structure and provide information on the respective roles;
- Schedule new team visits to provide information to current employees about the new organization and introduce new managers;
- Propose information meetings with existing independent cultural institutions and institutions that manage other spaces, notably in the case of IBIRAPUERA PARK, autonomous sellers, PARKS permit holders and other interested parties, to provide information and present new managers.

The CONCESSIONAIRE shall provide for the immediate commencement of actions to raise the operational standards of the PARKS. Teams should be formed to plan, manage, and control transition activities.

3.2. Human resources transition plan

As part of its Human Resources Transition Plan, the CONCESSIONAIRE shall provide for the evaluation of the current employees of the service providers, the permit holders and the autonomous sellers, in order to identify their interest in participating in the new project and the alignment of their capacity with the activities to be performed.

The Human Resources Transition Plan shall contain at least:

- Program of evaluation of individual capacities and technical proficiency for all the employees in the PARKS, in relation to the future requirements of the jobs; and
- Employee Training Plan aligned with the minimum requirements for the operation of the PARKS.

3.3. Communication and information plan

During the transition, the CONCESSIONAIRE should be able to coordinate, together with the Transition Committee, the execution of a public relations plan for the PARKS. This plan should seek to achieve the following results:

- Establish a positive relationship with all key stakeholders;
- Know the values and priorities of stakeholders; and
- Initiate a continuous process of dialogue and stakeholder participation in the implementation of a program of continuous improvement of the PARKS.

Among the possible initiatives to be foreseen in the Communication Plan are: the implementation of forums with those interested in the PARKS, the realization of focus groups with outsourced employees, staff of the Municipal Secretariat of Green and Environment (Portuguese acronym: SVMA), autonomous sellers, permit holders, USERS e and management councils, opinion polls between USERS, periodic meetings with PARKS workers, consultations and individual meetings.

The Communication and Information Plan should contain information to all stakeholders about the objectives of the transition stages, the expected results, and the process of how such a plan will be conducted. The CONCESSIONAIRE should achieve its goals through a solidly structured program. One of the key elements should be a comprehensive package of information that should include details such as:

- The fundamentals and benefits of changing the management of PARKS to the CONCESSIONAIRE;
- A presentation of the CONCESSIONAIRE and the experience of its members;
- What is expected to happen, as well as what is not expected from the CONCESSION, and
- A summary of the main operational improvements to be implemented with the CONCESSION.

The other instruments of the Communication Plan must take into account the public to be reached and the main means to be used. As an example, one can determine the printed communication as the main vehicle, so as to favor advertisements in newspapers and magazines to convey the main messages. It is important that the CONCESSIONAIRE undertakes to meet periodically with the representatives of the various means to express the benefits to be achieved with the CONCESSION.

4. Implementation of the OPERATIONAL TRANSFER PLAN

The Operational Transfer Plan will comprise 3 distinct stages:

- Stage 1 – Preparation;
- Stage 2 – Assisted Operation; and
- Stage 3 – Transfer Operation.

4.1. Stage 1 - Preparation

The CONCESSIONAIRE should develop specific plans and programs that will facilitate and guide the transition process. The set of plans constitutes the Operational Transfer Plan (OTP), which must be prepared and sent to the GRANTING AUTHORITY within thirty (30) days from the DATE OF THE STARTING ORDER.

At this stage, the Transition Team should develop the PARKS OPERATIONAL PLANS. Once these plans have been received, the GRANTING AUTHORITY shall analyze them, in accordance with the provisions of the NOTICE, and may request adjustments and/or clarifications as may be necessary.

4.1.1. For *Ibirapuera* Park, Stage 1 - Preparation should last two (02) months;

4.1.2. For Parks *Jacinto Alberto, Eucaliptos, Tenente Brigadeiro Faria Lima, Lajeado* and *Jardim Felicidade*, Stage 1 - Preparation must last one (01) month.

4.2. Stage 2 – Assisted Operation

Upon approval of the OTP by the GRANTING AUTHORITY, Stage 2 will begin. The objectives of this Stage are:

- To allow the CONCESSIONAIRE to obtain and prepare the necessary resources for the provision of the services necessary to achieve the OBJECT;
- Minimize any adverse effect of the transfer of the services to the CONCESSIONAIRE; and
- Ensure availability of information and procedures necessary for the PARTIES to assume their responsibilities and rights relating to the CONCESSION.

In this stage, the GRANTING AUTHORITY will maintain responsibility for the operation of the PARKS, in compliance with the provisions of the CONTRACT on the assumption of the totality of the CONCESSION charges, with direct follow-up of the CONCESSIONAIRE, which among other activities must validate management decisions in an assisted operation regime, as provided in the OTP.

To this end, the CONCESSIONAIRE must establish a transition team with direct responsibility for monitoring the main functional areas.

At this stage, the Transition Team of the CONCESSIONAIRE will work together with the Transition Committee and all the people it indicates, in order to transparently coordinate the transition activities planned for this stage.

The CONCESSIONAIRE will enjoy free access to all PARKS installations and physical spaces will be designated so that the CONCESSIONAIRE can carry out the works and activities of the transition. During this stage, the CONCESSIONAIRE may conduct a broad audit process to become thoroughly familiar with the operations, the organizational structure.

The CONCESSIONAIRE will enjoy free access to all PARKS facilities and physical spaces will be designated so that the CONCESSIONAIRE can carry out the works and activities of the transition. During this stage, the CONCESSIONAIRE may conduct a broad audit process to become thoroughly familiar with operations, the organizational structure, the PARK permit holders and their users.

The CONCESSIONAIRE must guarantee an effective transition, within the established deadlines, through the minimum execution of the following actions:

- Treat all workers of PARKS in a fair, open and equitable manner;
- Take the initiative to communicate with employees, PARK permit holders, USERS, government agencies and the community at large in all aspects of the transition;
- Initiate the process of training and development of its staff;
- Take the initiative to cooperate with local and regional representatives of Government, business community and population in general to promote the integration of the PARKS;
- Establish an efficient organizational structure that clearly defines the responsibilities of each PART in the CONCESSION.

4.2.1. For *Ibirapuera* Park, Stage 2 - Assisted Operation - should last four (4) months, counting from the end of Stage 1.

4.2.2. For the *Jacinto Alberto, Eucaliptos, Tenente Brigadeiro Faria Lima, Lajeado* and *Jardim Felicidade* Parks, Stage 2 - Assisted Operation shall -, last 1 (one) month, counting from the end of Stage 1.

4.3. Stage 3 – Transfer Operation.

In Stage 3, the CONCESSIONAIRE undertakes to conduct all the activities of the PARKS operation, including, but not limited to human resources management and training of personnel, to the security service, to the operation and maintenance of the PARKS, their green areas, fauna and flora, to the administration and finance, commercial operation, interaction and communication with other entities involved in PARKS's day-to-day operations, such as USERS , autonomous sellers, and to government agents, etc.

In this stage, the CONCESSIONAIRE will have full responsibility for the operation of the PARKS with accompaniment of the GRANTING AUTHORITY, which, among other activities, must follow the management decisions of the CONCESSIONAIRE.

4.3.1. For *Ibirapuera Park*, Stage 3 - Transition Operation - should last two (2) months, counting from the end of Stage 2.

4.3.2. For the Parks *Jacinto Alberto, Eucaliptos, Tenente Brigadeiro Faria Lima, Lajeado* and *Jardim Felicidade*, Stage 3 - Transition Operation - should last one (1) month, counting from the end of Stage 2.

5. Suggestions of Operational Transfer Actions

With the purpose of facilitating the understanding for the elaboration of the Operational Transfer Plan, the following are offered some suggestions of possible actions to be implemented by the CONCESSIONAIRE.

5.1. Transition Team

A Transition Team will be formed to manage all aspects of the transition from GRANTING AUTHORITY to the CONCESSIONAIRE operation. Among other activities, the team will be able to:

- Development of a detailed transition schedule;
- Form sub-teams to deal with specific aspects of the transition (for example, operations team, communications team, etc.). The sub-teams will report to the Transition Team, which will be the decision-making body);
- Supervision of sub-teams and facilitation of weekly/biweekly meetings between all sub-teams;
- Negotiation with the GRANTING AUTHORITY to ensure the transfer of contracts and documentation to the CONCESSIONAIRE;
- Guarantee the continuity of operation of all business systems (accounting, operational, information technology, payroll etc.);
- Provision of legal and technical advice; and
- Development of a management structure for the PARKS, appointing executive management and group/service/practice leaders

5.1.1 Sub-team: Finances

A Finance Team can be formed to develop budgets and manage expenses. Among other activities, such team may perform:

- Development of a detailed monthly budget for the first two (2) years; development of a quarterly budget for the third (3^o) year;
- Ensuring an efficient transition of the management of all systems, equipment, collections, flora and fauna management, management, cleaning and green areas security, among others;

- Development of tools to ensure that financial management is detailed and transparent; and
- Identification of improvement areas to create an optimized and customized operating system.

5.1.2 Sub-team: Operations

An Operations Team may be formed to operate the PARKS. Among other activities, such team may perform:

- Coordination with the GRANTING AUTHORITY on regulatory issues;
- Identification of staffing needs for PARKS;
- Identification of maintenance needs and minor improvements (budget and schedule development);
- Recommendation for updates in the PARKS Operations Manual for the continuity of operations.

5.1.3 Sub-team: Communications

A Marketing Team can be formed to manage all aspects of internal and external communications. Among other activities, such team may perform:

- Creation of a public relations strategy;
- Development of relations with the press and PARKS USERS; and
- Administration of relations with interested parties.

5.1.4 Sub-team: Commercial

A Business Team can be created to manage existing business activities in the short term. Among other activities, such team may perform:

- Administration of commercial activities in the property of the PARKS;
- Development and management of close relationships with potential investors and retailers; and

- Development of commercial development goals of 3, 5, 7 and 10 years.

5.1.5 Sub-team: Organizational and Human Resources

An Organizational Structure Team can be created to advise and develop alternatives to the organizational structure of the PARKS. Among other activities, such team may perform:

- Providing a list of potential executive management leaders and groups/services/practices for the transition team, based on experience and expertise; and
- Identification of areas where the Management Team may need strengthening and development of recruitment criteria.

5.1.6 Sub-team: Information Technology

An Information Technology Team can be created to manage a smooth transition of IT infrastructure. Among other activities, such team may perform:

- Evaluation of the current IT system;
- Identifying required IT improvements; and
- Identification of strategic IT contracting/training needs.

5.2 Formation of the new PARKS Administration Team

The Transition Team will transfer all the powers conferred upon it and the activities developed to the new PARKS Administration team.

5.3 Short-term improvements

In order to achieve the OBJECT, the CONCESSIONAIRE will verify immediate opportunities to increase the operational efficiency, the experience of the USERS and the commercial performance of the PARKS, which may include:

- Improvement of the operation process, increasing the efficiency of its management;
- Improved signage within the PARKS;