

Process no. 6071.2018/0000124-3

INTERNATIONAL COMPETITIONN° 01/SEME/2018

CONCESSION OF THE MODERNIZATION, MANAGEMENT, OPERATION AND MAINTENANCE SERVICES OF THE PACAEMBU COMPLEX

BID NOTICE

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PREAMBLE

BID NOTICE

INTERNATIONAL COMPETITION N° 01/SEME/2018

ADMINISTRATIVE PROCESS: 6071.2018/0000124-3

BIDDING METHOD: COMPETITION

TYPE: GREATER OFFER (HIGHER VALUE OF FIXED GRANT INSTALLMENT TO BE PAID TO GRANTING AUTHORITY)

OBJECT: CONCESSION OF THE MODERNIZATION, MANAGEMENT, OPERATION AND MAINTENANCE SERVICES OF THE PACAEMBU COMPLEX COMPOSED BY THE MUNICIPAL STADIUM PAULO MACHADO DE CARVALHO AND ITS MULTI-SPORTS CENTER.

TERM OF THE CONCESSION: thirty five (35) YEARS.

The Municipality of São Paulo, represented by the Municipal Secretary of Sports and Leisure and the Municipal Secretary of Privatization and Partnerships, hereby announces that it will carry out the bid, under the international competition method, for the selection of the most advantageous proposal for contracting concession of the modernization, management, operation and maintenance services of the Pacaembu Complex, composed of the Municipal Stadium Paulo Machado de Carvalho and the Multi-Sports Center, in accordance with Municipal Law No. 16,696 / 2017 and, in the alternative, Municipal Law No. 13,479 / 2002, Municipal Law No. 13.278 / 2002 and its subsequent amendments, Municipal Decree No. 44.279 / 2003, Federal Law No. 8,987 / 1995 and its subsequent amendments, Federal Law No. 8.666 / 1993 and its subsequent amendments, and other regulations governing subject to the rules of this Notice.

The bid will be processed with inversion of the order of the habilitation and trial phases, in the form of art. 16 of Municipal Law No. 13.278 / 2002, according to the wording conferred by Municipal Law No. 14.145 / 2006, of art. 6 of Municipal Law No. 16,703 / 2017, and of art. 18-A of Federal Law No. 8,987 / 1995.

The criterion of the GREATER OFFER shall be adopted for judgment purposes, referring to the higher value of the fixed grant installment to be paid to the Granting Authority, pursuant to the provisions of art. 15, II, of Federal Law No. 8,987 / 1995, observing the parameters defined in this BID and its annexes.

The envelopes containing the commercial proposal and the qualification must be delivered, as of 05/17/2018, at the Support Office of the Municipal Secretariat of Sports and Leisure, located at Alameda Iraé, 35, Indianópolis, São Paulo - SP, from Monday to Friday, from 10:00 a.m. to 5:00 p.m., until the date designated for the opening of the envelopes, with one (1) hour prior to the time set for the beginning of the session.

The opening session of the envelopes will take place on 07/18/2018 at 11:00 a.m., at AUDITORIUM A of the Olympic Training and Research Center of the Municipal Secretariat of Sports and Leisure, located at Iraé Alameda, 35, Indianópolis, São Paulo - SP, observing the conditions of the Notice.

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The bidding was preceded by a public hearing held on 04/20/2018, in accordance with article 39 of Federal Law No. 8,666 / 93, and subsequent amendments, as well as public consultation, in the period from 03/29/2018 to 04/18/2018, pursuant to Municipal Decree No. 48,042 / 2006.

The launching of this public bidding document was authorized by the Municipal Council for Privatization of Partnerships, on 05/10/2018, at its 13th meeting, pursuant to Municipal Law No. 14,517 / 2007, according to the wording conferred by Municipal Law No. 16.651 / 2017.

The notice on this Notice was published in the Official Gazette of the City of São Paulo and in other newspapers of great circulation on 05/16/2018, as well as at the address. <http://e-negocioscidadesp.prefeitura.sp.gov.br>.

Any subsequent changes to this convening instrument will be disclosed in the Official Gazette of the City of São Paulo and in the electronic website http://www.prefeitura.sp.gov.br/cidade/secretarias/esportes/estadio_pacaembu/index.php?p=256256.

São Paulo, May 15, 2018.

Municipal Secretariat of Privatization and Partnerships
Municipal Secretariat of Sports and Leisure of the city of São Paulo

DEFINITIONS

For the purposes of this NOTICE and its ANNEXES, the terms listed below, when used in the singular or plural, in capital letters, shall have the meanings contained in this subitem:

- (a) **AWARD:** the act by which the competent authority of the GRANTING AUTHORITY shall grant the successful BIDDER the OBJECT OF THE BID;
- (b) **CONTRACTING:** BIDDER to whom the OBJECT OF THE BID was awarded;
- (c) **TECHNICAL ACQUIS:** it comprises the technical-operational capacity of a certain legal entity involving its set of business qualities, such as its administrative structure, its organizational methods, its internal processes of quality control, its team and so on.;
- (d) **ANNEXES:** the documents accompanying this NOTICE;
- (e) **AREA OF THE CONCESSION:** area to be granted to execute the OBJECT, according to ANNEX III – DESCRIPTIVE MEMORANDUM OF THE AREA, not including EQUIPMENT NOT GRANTED;
- (f) **REVERSIBLE GOODS:** goods indispensable to the continuity of services related to the OBJECT, which will be reverted to the GRANTING AUTHORITY the termination of the CONTRACT;
- (g) **GOODS LINKED TO THE CONCESSION:** goods, whether or not members of the CONCESSIONAIRE's goods, necessary for the proper and continuous implementation and execution of the OBJECT;
- (h) **MULTI-SPORTS CENTER:** multi-sport center inserted in COMPLEX, with a total area of 25,598 m², consisting of the following equipment: Olympic Heated Pool; Covered Multi-Sports Gymnasium; Covered Tennis Gymnasium; Bleachers; Outdoor Tennis Court; External Futsal / Volleyball court; Fitness rooms and physical activity in general; and Jogging and walking track;
- (i) **SPECIAL BIDDING COMMITTEE:** committee set up by ORDINENCE No. 018 / SEME-G / 2018, which will be responsible for receiving, examining and judging all documents and conducting the procedures for the BID;

- (j) **CONCESSION:** concession for the accomplishment of the OBJECT, granted to the CONCESSIONAIRE for the term and conditions foreseen in the CONTRACT;
- (k) **CONCESSIONAIRE:** Specific Purpose Company, constituted in accordance with the provisions of this NOTICE and in the CONTRACT and under the Brazilian laws, for the exclusive purpose of executing the OBJECT OF THE CONCESSION;
- (l) **COMPLEX:** space corresponding to the AREA OF THE CONCESSION, which comprises the Municipal Stadium Paulo Machado de Carvalho and the Multi-Sports Center, both at Charles Miller Square, without number, within the limitations of the inscriptions of Transcript No. 20.438 registered in the Office of the 1st of Registry of Real Estate of the Region of São Paulo, according to the ANNEX III - DESCRIPTIVE MEMORANDUM OF THE AREA;
- (m) **CONSORTIUM MEMBER:** legal entity, Brazilian or foreign, private pension entity or investment fund that is part of CONSORTIUM;
- (n) **CONSORTIUM:** association of legal entities, Brazilian or foreign, complementary pension funds or investment funds, with the purpose of participating in the BID, which, being the winner of the Notice, must be a Special Purpose Company, according to Brazilian laws;
- (o) **CONTRACT:** legal instrument to be signed between the PARTIES, which regulates the terms of the CONCESSION;
- (p) **CONTROLLED:** any company, investment fund or legal entity whose CONTROL is exercised by another person, physical or legal, or investment fund;
- (q) **PARENT COMPANY:** any person, natural or legal, or investment fund that exercises CONTROL over another legal entity or investment fund;
- (r) **CONTROL:** the power held by a person or group of persons bound by a voting agreement or under common control, individually or jointly: (i) to exercise, permanently, rights that ensure a majority of the votes in the resolutions and elect the majority of the administrators or managers of another legal entity, investment fund or supplementary pension entities, as the case may be; and / or (ii) effectively direct the activities and guide the

functioning of the organs of another legal entity, investment fund or complementary pension entity;

- (s) DATE OF STARTING ORDER: date from which the execution of the OBJECT will begin, in accordance with the order to be recorded in writing by the GRANTING AUTHORITY to the CONCESSIONAIRE, after the CONTRACT extract is published in the Official Gazette of the City of São Paulo;
- (t) DATE OF DELIVERY OF THE PROPOSALS: from 05/17/2018, at the Support Office of the Municipal Secretariat of Sports and Leisure, located at Alameda Iraé, 35, Indianópolis, São Paulo - SP, from Monday to Friday, between 10:00 a.m. and 5:00 p.m., until the date designated for the opening of the envelopes, with one (1) hour prior to the time set for the beginning of the session, when all documents necessary for participation in the BID must be delivered;
- (u) DATE OF PUBLICATION OF THE CONTRACT: date of publication of the extract of the CONTRACT in the Official Gazette of the City of São Paulo;
- (v) QUALIFICATION DOCUMENTS: a set of documents listed in this NOTICE, designed to prove, among others, legal qualification, fiscal and labor regularity, economic-financial qualification and technical-operational capacity of BIDDERS;
- (w) NOTICE: This International Competition Notice No. 01 / SEME / 2018, which contains the set of rules and conditions necessary for the orientation of the BID;
- (x) ENVELOPE 1: envelope containing the COMMERCIAL PROPOSAL;
- (y) ENVELOPE 2: envelope containing the ENABLING DOCUMENTS;
- (z) ASSOCIATED ENTERPRISES: economic activities to be explored by the CONCESSIONAIRE, according to its exclusive interest, in buildings and free spaces that are part of the AREA OF THE CONCESSION, according to the CONTRACT;

- (aa) **EQUIPMENT NOT GRANTED:** equipment that is not part of the **CONCESSION**, such as Charles Miller Square and the Football Museum, under the terms of **ANNEX III - DESCRIPTIVE MEMORANDUM OF THE AREA**;
- (bb) **STADIUM:** it is the Paulo Machado de Carvalho Municipal Stadium inserted in **COMPLEX**;
- (cc) **PHASE OF MODERNIZATION:** initial phase of the **CONCESSION**, established by the **INTERVENTION PROGRAM**, which will include the activities related to the modernization of the **COMPLEX**, considering the terms, technical conditions and other guidelines established in the **INTERVENTION PROGRAM** and the **COMMERCIAL PROPOSAL**, being able to be executed concomitantly with other activities related to the **CONCESSION**;
- (dd) **PERFORMANCE FACTOR or PF:** number calculated between zero (0) and one (1) depending on the performance of the **CONCESSIONAIRE** in the execution of the **OBJECT**, measured according to the performance indicators in **ANNEX V - PERFORMANCE MEASUREMENT SYSTEM** of the **CONTRACT**
- (ee) **FINANCIER:** any financial institution, development bank or multilateral credit agency, granting financing to the **CONCESSIONAIRE** for the execution of the **OBJECT**;
- (ff) **FINANCING:** any and all loans granted to the **CONCESSIONAIRE**, in the form of debt, to fulfill its obligations under the **CONTRACT**;
- (gg) **SOURCES OF REVENUES:** revenue sources, including alternative sources, complementary, ancillary or **ASSOCIATED DEVELOPMENTS**, perceived by the **CONCESSIONAIRE**, due to the exploitation of the **OBJECT**;
- (hh) **GUARANTEE OF EXECUTION OF THE CONTRACT:** the guarantee of the faithful fulfillment of the obligations of the **CONCESSIONAIRE**, to be maintained in favor of the **GRANTING AUTHORITY**;
- (ii) **GUARANTEE OF PROPOSAL:** pecuniary guarantee provided by **BIDDERS** that may be executed by the **GRANTING AUTHORITY**, pursuant to the **BID**;
- (jj) **HOMOLOGATION:** act by which the competent authority, after verifying the regularity of the acts practiced, ratifies the result of the **BID**;

- (kk) **MANDATORY INTERVENTIONS:** The mandatory activities regarding the PHASE OF MODERNIZATION, in compliance with the terms, technical conditions and other guidelines indicated in the CONTRACT, the COMMERCIAL PROPOSAL and the INTERVENTION PROGRAM;
- (ll) **OPTIONAL INTERVENTIONS:** any activities included in the OBJECT, or carried out by proposal and initiative of the CONCESSIONAIRE itself, in accordance with the INTERVENTION PLAN;
- (mm) **CPI:** the Consumer Price Index, published monthly by FIPE – Portuguese acronym for Foundation for Economic Research;
- (nn) **BID:** administrative procedure conducted by the GRANTING AUTHORITY to select, among the COMMERCIAL PROPOSALS presented, the one that is most advantageous for the Municipal Public Administration, based on the criteria set forth in this NOTICE;
- (oo) **BIDDER:** any legal entity, investment fund or CONSORTIUM participating in the BID;
- (pp) **OBJECT:** the modernization, management, operation and maintenance of COMPLEX, composed by the STADIUM and the MULTI-SPORTS CENTER;
- (qq) **STARTING ORDER:** document issued by the GRANTING AUTHORITY after the CONTRACTUAL DATE OF PUBLICATION, which sets the date for the beginning of the execution of the OBJECT;
- (rr) **FIXED GRANT INSTALLMENT:** the amount to be paid by the CONCESSIONAIRE to the GRANTING AUTHORITY, based on the COMMERCIAL PROPOSAL, arising from the right to exploit the CONCESSION, divided into FIXED GRANT INSTALLMENT 1 and FIXED GRANT INSTALLMENT 2;
- (ss) **FIXED GRANT INSTALLMENT 1:** portion of the FIXED GRANT INSTALLMENT to be paid as a condition precedent to the signing of the CONTRACT, corresponding to the difference between the value of the FIXED GRANT INSTALLMENT indicated in the COMMERCIAL PROPOSAL and the value of the FIXED GRANT INSTALLMENT 2;

- (tt) FIXED GRANT INSTALLMENT 2: portion of the FIXED GRANT INSTALLMENT corresponding to the amount of thirty-four million, eight hundred and thirteen thousand reais – BRL (R \$ 34,813,000.00) to be paid in ten (10) equal annual fixed installments, to be paid from the fourth (4th) year counted from the DATE OF THE STARTING ORDER;
- (uu) VARIABLE GRANT INSTALLMENTS: these are the variable grant installment composed of the VARIABLE GRANT INSTALLMENT 1 and the VARIABLE GRANT INSTALLMENT 2;
- (vv) VARIABLE GRANT INSTALLMENT 1: The amount to be paid by the CONCESSIONAIRE to the GRANTING AUTHORITY that is annually accruing from the application of the tax rate, on the totality of its gross revenue under the CONTRACT, in particular its ANNEX IV - PAYMENT MECHANISM OF THE GRANT;
- (ww) VARIABLE GRANT INSTALLMENT 2: the amount to be paid by the CONCESSIONAIRE to the GRANTING AUTHORITY which is allocated quarterly as a result of the application of a tax rate on the totality of its gross revenue, considered the result of the PERFORMANCE FACTOR, in accordance with the CONTRACT, in particular its ANNEX IV - PAYMENT MECHANISM OF THE GRANT;
- (xx) PARTIES: the GRANTING AUTHORITY and the CONCESSIONAIRE;
- (yy) INTERVENTION PLAN: plan containing the entire planning of the MANDATORY INTERVENTIONS and OPTIONAL INTERVENTIONS to be performed in the COMPLEX for the execution of the OBJECT, in accordance with the terms of ANNEX III – SET OF SPECIFICATIONS OF THE CONCESSIONAIRE of the CONTRACT;
- (zz) OPERATIONAL PLANS: plans containing the entire planning of services and mandatory and optional activities performed at COMPLEX for execution of the OBJECT, pursuant to the terms of ANNEX III - SET OF SPECIFICATIONS OF THE CONCESSIONAIRE;
- (aaa) GRANTING AUTHORITY: the Municipality of São Paulo;
- (bbb) INTERVENTION PROGRAM: a set of mandatory interventions for the architectural and engineering, demolition, construction and recovery

projects of the COMPLEX concerning the PHASE OF MODERNIZATION, according to the terms of ANNEX III - SET OF SPECIFICATIONS OF THE CONCESSIONAIRE of the CONTRACT;

- (ccc) COMMERCIAL PROPOSAL: financial proposal submitted by BIDDERS according to the terms and conditions of the NOTICE and its ANNEXES, which contains the amount of the GRANT to be paid to the GRANTING AUTHORITY by the future CONCESSIONAIRE;
- (ddd) SPECIFIC PURPOSE COMPANY – SPC (Portuguese Acronym: SPE): Specific Purpose Company that will be constituted by the CONTRACTING, in accordance with the laws of the Federative Republic of Brazil, for the exclusive execution of the OBJECT OF THE CONCESSION;
- (eee) SUSEP: Portuguese acronym for Superintendência de Seguros Privados (Superintendence of Private Insurance), a federal autarchy established by Decree-Law No. 73 of November 21, 1966;
- (fff) USERS: the members of the COMPLEX and ASSOCIATED ENTERPRISES; and
- (ggg) MINIMUM VALUE OF THE FIXED GRANT INSTALLMENT: the minimum reference value to be considered by the BIDDERS in the preparation of their COMMERCIAL PROPOSAL.

2. DOCUMENTS INCLUDED AND GENERAL INFORMATION OF THE BIDDING

2.1. The following NOTICE are included as inseparable parts:

- (a) ANNEX I - MODELS AND DECLARATIONS;
- (b) ANNEX II - DRAFT CONTRACT, and its ANNEXES;
- (c) ANNEX III - DESCRIPTIVE MEMORANDUM OF THE AREA;
- (d) ANNEX IV – CONTRACTS AND COOPERATION TERMS IN FORCE IN THE AREA OF THE CONCESSION; and
- (e) ANNEX V - REFERENTIAL ARCHITECTURAL STUDY.

2.2. ANNEX V - REFERENTIAL ARCHITECTURAL STUDY is merely referential, not binding the BIDDERS in the preparation of their COMMERCIAL PROPOSALS, or the CONCESSIONAIRE in the execution of the CONTRACT.

2.3 A copy of this NOTICE, with the respective ANNEXES, will be available in electronic media at the address of the Office of the Municipal Secretariat of Sports and Leisure, located at Alameda Iraé, 35, Indianópolis, São Paulo, SP, from Monday to Friday, between 10:00 am and 5:00 p.m., and the interested part must schedule in advance with the SPECIAL BIDDING COMMITTEE, via the electronic address concessaopacaembu@prefeitura.sp.gov.br, conditioned the supply of the copy by this way to the presentation of media with sufficient capacity to store the files (CD / DVD, USB or external hard drive) as well as at the address electronic http://www.prefeitura.sp.gov.br/cidade/secretarias/esportes/estadio_pacaembu/index.php?p=256256.

The GRANTING AUTHORITY is not responsible for the authenticity of the content of the NOTICE and ANNEXES obtained or known in a way or places different from those provided for in the previous subitems.

BIDDERS are responsible for obtaining all data and information on the exploitation of the CONCESSION.

Except for contractual obligations, information, studies, research, surveys, projects, spreadsheets and other documents or data related to the CONCESSION and made available by the GRANTING AUTHORITY are of a purely referential and non-binding nature, and it is incumbent upon all interested parties to examine all instructions, conditions, requirements, laws, decrees, norms, specifications and regulations applicable to the CONCESSION, being also responsible for the costs and expenses related to the necessary measures for the elaboration of their COMMERCIAL PROPOSALS and participation in the BID, including studies necessary for the development of projects and studies that prove relevant and the direct analysis of the conditions of the COMPLEX.

The obtaining of the convening instrument shall not be a condition for participation in the BIDDING, being sufficient for both the knowledge and acceptance by the BIDDERS of all its terms and conditions.

In case of divergence between the ANNEXES and the NOTICE, the provisions of the NOTICE.

OF THE OBJECT

The purpose of this BID is the CONCESSION of the provision of the modernization, management, operation and maintenance services of COMPLEX, in accordance with the terms of ANNEX II – DRAFT CONTRACT.

3.0.1. Also included in the OBJECT is the granting of the additional potential for construction in the AREA OF THE CONCESSION, under the terms of the CONTRACT.

The revenues to be received by the CONCESSIONAIRE will be derived from the exploitation of SOURCES OF REVENUE in the AREA OF THE CONCESSION.

The EQUIPMENTS NOT GRANTED are not the OBJECT of the CONCESSION.

The AREA OF THE CONCESSION will be assumed by the CONCESSIONAIRE after the DATE OF THE STARTING ORDER in accordance with the CONTRACT and, especially with a schedule set forth in ANNEX III – SET OF SPECIFICATIONS OF THE CONCESSIONAIRE.

OF THE JUDGEMENT CRITERION OF THE BID

This BID will adopt as a criterion of judgment the highest bid, referring to the greater value of FIXED GRANT INSTALLEMENT to be paid by the CONCESSIONAIRE to the GRANTING AUTHORITY, according to the provisions in art. 15, II, of Federal Law No. 8,987 / 1995, observing the parameters defined in this NOTICE and its ANNEXES.

THE ESTIMATED VALUE OF THE CONTRACT

For the purposes of this BID, the estimated value of the CONTRACT is six hundred and seventy-four million, four hundred and sixty-five thousand, eight hundred and forty-one reais and twenty-eight cents – BRL (R\$ 674,465,841.28), which corresponds to the value of the mandatory investments, expenses and mandatory operational costs estimated to perform the obligations of the CONTRACT, cumulated with the sum of the grant amounts, comprised both by the FIXED GRANT INSTALLMENT and by the VARIABLE GRANT INSTALLMENTS, throughout the term of the CONCESSION.

The amount mentioned in the previous subitem is merely indicative, not binding any economic and financial rebalancing lawsuit within the scope of the CONCESSION.

TERM OF THE CONCESSION

The term of the CONTRACT will be thirty-five (35) years, counted from the DATE OF THE STARTING ORDER.

CONDITIONS OF PARTICIPATION

Participation in this BID may be legal entities, Brazilian or foreign, private pension entities and investment funds, alone or in CONSORTIUM.

They may not participate in the BID, individually or in CONSORTIUM:

- (a) those which have been declared inoperative, including companies that are CONTROLLED or CONTROLLING, associated and subsidiary to each other, impeded or suspended from the right to bid and contract with the Public Power, by any entities of the public administration, directly or indirectly, in the spheres federal, state, district, or municipal, or by court order;
- (b) those who are in compliance with the penalty of temporary suspension of participation in bidding and prevented from contracting with organ or entity of the Direct or Indirect Administration of the City of São Paulo, resulting from article 87, item III, and article 88, of Federal Law No. 8,666 / 93, or article 7 of Federal Law No. 10,520 / 02;
- (c) those who have been sentenced by a final judgment to the penalty of prohibition of rights due to the practice of environmental crimes, as disciplined in article 10 of Federal Law 9605/98;
- (d) those who are prohibited from contracting with the State of São Paulo due to sanctions included in the registrations referred to in articles 22 and 23 of Federal Law 12,846 / 13;
- (e) those who have been prohibited from participating in bids promoted by the federal, state, municipal, direct and indirect public administration, due to the practice of violation of the economic order, pursuant to article 38, item II, of Federal Law No. 12,529 / 11;
- (f) those that have been prohibited from contracting with the Public Power by reason of condemnation by act of administrative improbity, under the terms of article 12 of the Federal Law No. 8.429 / 92;
- (g) those that have been temporarily suspended, impeded or declared inoffensive to bid or contract with the municipal public administration, directly and indirectly, for disobedience to the Law on Access to

Information, pursuant to article 33, items IV and V, of Federal Law No. 12,527 / 11;and

- (h) any entities that have as employee, directors, partners or occupants of position or employment in the Municipal Administration, Direct or Indirect, protected other impediments foreseen in the applicable legislation and regulations.

Also, the participation, in isolation or in CONSORTIUM, of companies, investment funds or legal entities that abuse the right of constitution of legal entity to circumvent the fences mentioned in the previous subitem, as provided in art. 14 of Federal Law No. 12,846 / 2013.

THE CONSORTIUMS

The CONSORTIUM shall comply with the provisions of art. 33 of Federal Law No. 8,666 / 93, as well as to art. 19 of Federal Law No. 8,987 / 95 and its amendments, and its participation is conditional upon compliance with the following requirements:

- (a) each CONSORTIUM MEMBER shall meet individually the requirements related to legal qualification, tax and labor regularity, under the terms of this NOTICE;
- (b) together with the ENABLING DOCUMENTS, the relevant commitment term for the constitution of SPC, in accordance with the GENERAL DECLARATIONS of ANNEX I - MODELS AND DECLARATIONS, signed by all CONSORTIUM MEMBER;
- (c) the participation of a same BIDDER as CONSORTIUM shall not be permitted in more than one CONSORTIUM, or individually in more than one PROPOSAL;
- (d) only the participation of PARENT COMPANY, CONTROLLING or CONTROLLED companies of a same BIDDER shall be admitted, when they are in the same CONSORTIUM.

There is no minimum or maximum number of CONSORTIUM MEMBERS for each CONSORTIUM.

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The winning CONSORTIUM shall promote, prior to the execution of the CONTRACT, the incorporation of the SPC, pursuant to art. 20 of Federal Law No. 8,987 / 95 and according to the rules set forth in this NOTICE, observing, in the composition of its capital stock, that established in the CONTRACT and holding participations identical to those included in the commitment term for the constitution of SPC presented in the BID.

The inclusion, substitution, withdrawal or exclusion of CONSORTIUM MEMBER by the DATE OF PUBLICATION OF THE CONTRACT shall not be allowed, from which the rules of transfer of the CONCESSION and transfer of the CONTROL of the CONCESSIONAIRE foreseen in the CONTRACT.

Disqualification or disqualification of any CONSORTIUM MEMBER shall result in the disqualification or automatic disqualification of the CONSORTIUM.

The requirements for technical qualification shall be met by the CONSORTIUM, through any of the CONSORTIUM MEMBER alone or by the sum of the technical qualifications presented by the CONSORTIUM MEMBER.

The members of the CONSORTIUM shall be jointly and severally liable, before the GRANTING AUTHORITY, for the acts performed during the BID.

The joint and several liability of the CONSORTIUM MEMBERS shall cease for purposes of the obligations assumed by virtue of this BID in case the CONSORTIUM has been the successful BIDDER after the DATE OF PUBLICATION OF THE CONTRACT.

For the Investment Funds and Pension Entities, the following rules will apply:

- (a) the entities managing and managing the funds, or any other entity exercising a relevant influence, shall be considered BIDDERS for the application of the participation limits set forth in this NOTICE;
- (b) the quotaholders that have a stake equal to or greater than twenty percent (20%) in the Investment Fund will be considered BIDDERS for the application of the participation limits set forth in this NOTICE.

THE TECHNICAL VISIT AND THE DECLARATION OF FULL KNOWLEDGE

In order to present the proposal, the BIDDER is advised to carry out a technical survey, for the on-site verification of the conditions, nature and measurement of the materials and

equipment necessary for the execution of the CONTRACT, with the technical professional accompaniment of the GRANTING AUTHORITY.

Each BIDDER shall be responsible for arranging the technical visit referred to in the previous subitem, and shall do so within two (2) business days prior to the date of the scheduled appointment, by means of a request addressed to the following address. E-mail: ctercitano@prefeitura.sp.gov.br.

For the respective technical survey, the interested part should be represented at the Pacaembu Stadium, located at Charles Miller Square, without number, São Paulo, SP, through a duly identified representative, at the scheduled time, which may be from 10:00 a.m. to 5:00 a.m.

Each BIDDER, alone or in CONSORTIUM, may appoint a maximum of two (2) representatives for the follow-up of the scheduled technical visit, being able to participate in as many visits as desired, among those to be performed.

Attendance at the technical visit is not mandatory for participation in the BID, but it is considered that the ENABLING DOCUMENTS and the COMMERCIAL PROPOSAL were prepared with full knowledge by the BIDDERS of the AREA OF THE CONCESSION in the state in which they are located, the which may not invoke any insufficiency of data related thereto as an obstacle to participation in the BID or to the full execution of the CONTRACT.

CLARIFICATIONS, CONTEST AND CHANGES TO THE NOTICE

Interested parties who need additional information or clarification regarding this BID should, in accordance with the MODEL OF REQUEST FOR CLARIFICATIONS in ANNEX I - MODELS AND DECLARATIONS, request them by July 10, 2018, under the care of the SPECIAL BIDDING COMMITTEE , this way:

- (a) by means of a message sent to the electronic address concessaopacaembu@prefeitura.sp.gov.br until 6:00 pm, accompanied, necessarily, of the file containing the questions formulated in editable format ".doc"; or
- (b) by means of an electronic document, recorded in a physical device (CD, pen drives, or similar), filed at the Office of Municipal Secretariat of Sports and Leisure Office, Alameda Iraé, 35, Indianópolis, in the hours of 10h to 17h, with the respective file recorded in editable format ".doc".

The SPECIAL BIDDING COMMITTEE shall not be responsible for any problems or failures to send or receive requests for clarifications, as well as the clarity and visual quality of the documents forwarded.

The SPECIAL BIDDING COMMITTEE will not answer questions that have been formulated in disagreement with the provisions of this NOTICE, and requests for clarifications received by facsimile.

In the requests forwarded, the interested parties must identify themselves (CNPJ – National Register of Legal entity, Corporate Name and the name of the representative who requested clarification) and make available the contact information (full address, telephone and e-mail).

All correspondence regarding the NOTICE sent to the GRANTING AUTHORITY will be considered as delivered on the date of its receipt by the recipient, except those received after 6:00 p.m. For correspondence in electronic format, the transmission will be considered timely until the twenty four (24) hours of its last day.

The answers to these clarifications will be consolidated and published in the page http://www.prefeitura.sp.gov.br/cidade/secretarias/esportes/estadio_pacaembu/index.php?p=256256, without the identification of the person in charge of the questioning.

The responses shall form part of this NOTICE for all legal purposes.

Under penalty of decay, any challenge to the NOTICE must be filed, by any person, within 5 (five) business days prior to the DATE OF DELIVERY OF THE PROPOSALS, and by those who will participate in the bid, up to two (2) business days prior of the DATE OF DELIVERY OF THE PROPOSALS.

Challenges to the NOTICE must be recorded in an electronic version, recorded in a physical device (CD, pen drive or similar), addressed to the President of the SPECIAL BIDDING COMMITTEE, and must be filed in the Office of the Municipal Secretariat of Sports and Leisure Office at Alameda Iraé, nº 35, Indianópolis, São Paulo - SP, from 10:00 a.m. to 5:00 p.m.

This NOTICE may be modified until the DATE OF DELIVERY OF THE PROPOSALS, observing the following conditions:

- (a) disclosure of the change in the same manner in which the disclosure of the NOTICE; and

- (b) the deadline initially established, if the modification substantially affects the formulation of the COMMERCIAL PROPOSALS.

When the amendment does not substantially affect the formulation of the proposal, the period of disclosure may be reopened in half, by resolution of the SPECIAL BIDDING COMMITTEE, pursuant to art. 18, paragraph 1, of Municipal Law No. 13.278 / 02.

When the change does not imply changes or reformulation of the proposal, or the fulfillment of new requirements, there will be no need to reopen the term, as provided in art. 18, § 2, of Municipal Law No. 13.278 / 02.

FORM OF SUBMISSION OF PROPOSALS AND ENABLING DOCUMENTS

The documentation to be submitted by the BIDDERS in this BIDDING shall consist of the following envelopes:

- (a) ENVELOPE 1 - COMMERCIAL PROPOSAL; and
- (b) ENVELOPE 2 - ENABLING DOCUMENTS.

After delivery of the envelopes, the BIDDER may not give up his proposal, under penalty of execution of the GUARANTEE OF PROPOSAL.

After the accreditation, the BIDDING will be conducted in two (2) distinct and successive phases, in the following order:

- (a) opening stage of ENVELOPE 1, with the analysis and judgment of the COMMERCIAL PROPOSAL; and
- (b) the opening stage of ENVELOPE 2, with the analysis of the best-qualified BIDDER'S ENABLING DOCUMENTS in the previous phase.

The opening of the envelopes and the analysis of the documentation submitted by the BIDDERS shall take place in public sessions, which may be attended by any persons, but only the accredited representatives of the BIDDERS shall be admitted.

For the purpose of evaluating the documents in ENVELOPES 1 and 2, the SPECIAL BIDDING COMMISSION may, justifiably, propose the closing of the respective session, and the

results of the analysis shall be published in a timely manner, by publication in the Official Gazette of the City of São Paulo.

The envelopes containing the COMMERCIAL PROPOSAL and the ENABLING DOCUMENTS must be delivered face-to-face on the DATE OF DELIVERY OF THE PROPOSALS, at the address and within the time indicated in the Preamble to this NOTICE, enclosed, undeliverable and containing, on the outside, the following:

INTERNATIONAL COMPETITION N° 01/SEME/2018
[SOCIAL RATIO OF THE BIDDER OR DESIGNATION OF THE CONSORTIUM]
ENVELOPE 1 - COMMERCIAL PROPOSAL.

INTERNATIONAL COMPETITIONN° 01/SEME/2018
[SOCIAL RATIO OF THE BIDDER OR DESIGNATION OF THE CONSORTIUM]
ENVELOPE 2 - ENABLING DOCUMENTS.

Documents sent by post, internet, facsimile, telegram, or by other means and at an address and time other than that specified in this NOTICE will not be accepted.

The COMMERCIAL PROPOSAL and the ENABLING DOCUMENTS must be presented in one (1) way, bound with all sheets numbered sequentially, including separation sheets, catalogs, drawings or similar, if there is, regardless of whether it is more than one from the first sheet to the last sheet, so that the numbering of the last sheet of the last notebook reflects the total number of sheets within each envelope, and no splicing, erasure, spacing or spacing is allowed in any case.

The documents must be presented in their original form or a certified copy in a notary's office, whereby the digital guarantee insurance policies will be accepted as regards the GUARANTEE OF PROPOSAL, in which case the SPECIAL BIDDING COMMITTEE shall certify its authenticity through consultation with the site of SUSEP.

The SPECIAL BIDDING COMMITTEE may avail itself of the support of organs of the Municipality of São Paulo, especially the Municipal Secretariat of Treasury, for the evaluation of the GUARANTEE OF PROPOSAL.

Equivalent documents submitted by foreign legal entities should enable the clear identification of their content, validity and effectiveness, and it is for the BIDDER to indicate to what item and to what NOTICE requirement the document corresponds.

In the absence of equivalent documentation in the respective countries of origin, foreign legal entities must present a formal and express declaration signed by their representative of the official public agency of the country of origin, informing them in detail and expressly stating the qualifying documents those required by the NOTICE, in which there is no equivalence in the country of origin, in addition to a statement, signed by its representative, stating that under the penalties of law, which meet the requirements of the respective item of this NOTICE not covered by the documentation of the country of origin, and the GRANTING AUTHORITY, in any case, the promotion of the acts contemplated in item 12 of this instrument summoning.

The documents issued by the Internet do not require authentication in a notary's office, and the validity of the documents will also be made through a consultation by the SPECIAL BIDDING COMMITTEE to the electronic address indicated therein.

The content of each ENVELOPE 1 and 2, regardless of the number of notebooks, will include one (1) opening term, one (1) index and one (1) of its own closing terms, indicating the page number immediately antecedent.

All the sheets of the documents of the COMMERCIAL PROPOSAL and the ENABLING DOCUMENTS must be initialed by the representatives of the BIDDERS.

The accredited representatives must initial the sealing of each envelopes, inserting next to the item, with their own handle, the date and time.

The documents should be presented in clear language, without amendments, erasures, between lines or reservations.

All documents that constitute the BID, PROPOSALS, CONTRACT, certificates, as well as all other documentation to be elaborated and all correspondence and communications to be exchanged, must be presented in Portuguese Language.

Any documents that are written in a foreign language must be accompanied by a sworn translation and their respective consularisation, exempted in the cases provided for by the Convention on the Elimination of the Requirement of Legalization of Foreign Public Documents, approved by Legislative Decree No. 148/2015.

In case of divergence between the document in the original language and its translation, the text translated into Portuguese will prevail.

If there is a divergence between the numerical values and those presented in full in the presented documentation, the last.

DILIGENCE, CLARIFICATION AND TROUBLESHOOTING OF INFORMATION CONTAINED IN ENVELOPES

The SPECIAL BIDDING COMMITTEE may, at its discretion, at any stage of the BID, promote diligence to clarify or complement the instruction of the BID, pursuant to art. 43, paragraph 3, of Federal Law No. 8,666 / 93.

The BIDDER is responsible for the veracity of the information provided and the documents submitted, subject to the penalties provided for in civil, administrative and penal legislation.

The complementation of inadequacies or the formal corrections necessary for the correction of failures characterized as formal failures in the course of the procedure may be carried out by the SPECIAL BIDDING COMMITTEE, as established in art. 12, IV, of Federal Law No. 11,079 / 04.

For the purposes of the sub-items above, a term of up to three (03) consecutive days, to be defined by the SPECIAL BIDDING COMMISSION according to the circumstances of the specific case and the speed of the BID, for the submission of information or supplementation by the BIDDER , of inadequacies or of corrections of formal character.

A failure or formal defect is one that:

- (a) does not denature the document object displayed;
- (b) does not be able to measure, with due security, the information contained in the document; and
- (c) does not imply the presentation of a document that should originally appear in the documentation submitted by the BIDDER, nor does it refer to the fact existing only after the DATE OF DELIVERY OF THE PROPOSALS.

Clarifications and information provided by any of the PARTIES shall always be in written form, and shall be available at any time in the records of the administrative process of the BID and on its website.

ACCREDITATION

The representatives of each BIDDER must present themselves for accreditation to the SPECIAL BIDDING COMMITTEE on the same day, place and time designated for the beginning of the public opening session of the envelopes, presenting:

- (a) copy of the identity card or other official document with a photo of the representative (s);
- (b) an instrument of mandate that proves specific powers to perform all acts related to this BID, such as formulating offers of prices, lodging and / or withdrawing of appeal, according to the MODEL OF POWER OF ATTORNEY contained in ANNEX I - MODELS AND DECLARATIONS, accompanied by document (s) proving the powers of the respective GRANTING AUTHORITY (s);
- (c) constituent act, statute or social contract; and
- (d) declaration of the fact that there is no impediment to participate in the BID, in accordance with the MODEL DECLARATION OF ABSENCE OF IMPEDIMENT FOR THE PARTICIPATION IN THE BID in ANNEX I - MODELS AND DECLARATIONS.

In the case of a special mandate instrument, it must be presented with a recognized signature.

In the case of CONSORTIUMS, the power of attorney shall be granted by all CONSORTIUM MEMBERS or by their respective leader.

Only proxies will be accepted that provide for specific powers regarding the practice of acts in this BID. The documents of representation of the BIDDERS shall be retained by the SPECIAL BIDDING COMMITTEE and attached to the BIDDING PROCEDURE.

The absence of accreditation shall not constitute reason for disqualification or disqualification of the BIDDER.

At any time during the bidding process, the BIDDER may substitute its accredited representative (s).

No person, even with a power of attorney, may represent more than one BIDDER.

OF THE COMMERCIAL PROPOSAL – ENVELOPE 1

The COMMERCIAL PROPOSAL must comply with all the formal requirements set forth in this NOTICE and its contents should be expressed in a letter addressed to the SPECIAL BIDDING COMMITTEE, subject to the MODEL LETTER OF PRESENTATION OF THE COMMERCIAL PROPOSAL in ANNEX I - MODELS AND DECLARATIONS.

Each BIDDER must submit only one COMMERCIAL PROPOSAL, under penalty of disqualification.

The BIDDER shall indicate in its COMMERCIAL PROPOSAL the value of the FIXED GRANT in national currency.

The values presented in the COMMERCIAL PROPOSAL must be based on the DATE OF DELIVERY OF THE PROPOSALS.

The COMMERCIAL PROPOSAL should be based, among other:

- (a) all investments, taxes, costs and expenses necessary to execute the OBJECT;
- (b) the payment of the VARIABLE GRANT INSTALLMENTS, under the terms of the CONTRACT;
- (c) the risks to be assumed by the CONCESSIONAIRE in virtue of the execution of the services OBJECT OF THE CONTRACT;
- (d) the amounts to be paid as reimbursement to the authors of the studies used due to Public Call Notice No. 01/2017 - SMDP, in the total amount of R \$ 1,707,341.00 [one million, seven hundred and seven thousand, three hundred and forty and a real];
- (e) the term of the CONCESSION, which will be thirty five (35) years;
- (f) the reversibility of the goods of the SPC, observing the conditions set forth in the CONTRACT; and

- (g) the other obligations of this BID, the CONTRACT and its ANNEXES.

The value of the FIXED GRANT INSTALLMENT shall be adjusted if the period between the DATE OF DELIVERY OF THE PROPOSAL and the date of signature of the contract exceeds one (1) year, depending on the variation of the CPI, or, in the event of its extinction, by the index that will replace it.

THE ENABLING DOCUMENTS – ENVELOPE 2

OF GENERAL DOCUMENTATION

15.0.1. In ENVELOPE 2, and without prejudice to the other documents indicated in the subsequent subitems, the BIDDER shall:

- (a) letter of presentation duly signed, observing the MODEL LETTER OF PRESENTATION OF THE ENABLING DOCUMENTS indicated in ANNEX I - MODELS AND DECLARATIONS;
- (b) declaration, according to the model of GENERAL DECLARATIONS of ANNEX I - MODELS AND DECLARATIONS, that, in the case of a CONTRACTING, the SPC shall constitute the SPC for signing the CONTRACT, in accordance with Brazilian laws, with headquarters and administration in Brazil, in the Municipality of São Paulo, State of São Paulo;
- (c) commitment of payment of the minimum social capital of the SPC, under the terms of the CONTRACT, according to the model of GENERAL DECLARATIONS of ANNEX I - MODELS AND DECLARATIONS;
- (d) a commitment by SPC to be structured in the form of joint-stock companies, corporate governance and accounting standards, and the preparation of standardized financial statements, in accordance with accounting practices adopted in Brazil, based on the Brazilian Corporate Law (Federal Law No. 6,404 / 76 and subsequent amendments) and in the Accounting Standards issued by the Federal Accounting Council – Portuguese acronym: CFC, according to the model of GENERAL DECLARATIONS of ANNEX I - MODELS AND DECLARATIONS;
- (e) commitment that the company will adopt internal mechanisms and procedures for integrity, auditing and incentive to report irregularities and the effective application of codes of ethics and conduct, according to the

model of GENERAL DECLARATIONS of ANNEX I - MODELS AND DECLARATIONS; and

- (f) declaration of commitment of regularity with the art. 7th, XXXIII, of the Federal Constitution of 1988, under the terms of Annex I - MODELS AND DECLARATIONS.

15.0.2. In the case of CONSORTIUM, the obligations set forth in the foregoing item shall be fulfilled, when applicable, by each of the respective members, or may be satisfied if they already appear in the SPC instrument itself.

15.0.3. In the case of CONSORTIUM, the corresponding commitment term for the constitution of SPC, signed in accordance with Brazilian laws, signed by the CONSORTIUM MEMBERS:

- (a) the denomination of CONSORTIUM;
- (b) the composition of the CONSORTIUM, indicating the percentage of participation of each CONSORTIUM MEMBER in the capital of the future SPC, subject to the conditions of this NOTICE;
- (c) the objective the CONSORTIUM, which shall be compatible with this BID and with the PURPOSE OF THE CONTRACT;
- (d) the indication of the leader of the CONSORTIUM, who shall be a Brazilian legal entity, and who will be acknowledged express powers to represent the CONSORTIUM in the BID, being able to receive and give discharge, to respond administratively and judicially, to agree with conditions, to compromise, to commit and to practice other acts necessary for the participation of the CONSORTIUM, until the DATE OF PUBLICATION OF THE CONTRACT; and
- (e) express declaration of all participants of the CONSORTIUM, effective as of the DATE OF PRESENTATION OF THE PROPOSALS, acceptance of joint and several liability, pursuant to art. 33 of Federal Law No. 8.666 / 93, regarding the OBJECT of this BID, fully covering all obligations assumed in the proposal presented, and such joint and several liability will only cease, in case the CONSORTIUM has been the successful BIDDER, after the PUBLICATION DATE of the extract of the CONTRACT; and, in the event that the CONSORTIUM has not been the successful BIDDER, within thirty (30) days from the DATE OF PUBLICATION OF THE CONTRACT.

DOCUMENTATION RELATED TO THE LEGAL ENABLING

- 15.1.1.** For purposes of legal authorization, the documents below must be submitted by the individual BIDDER and, if applicable, by each member of the CONSORTIUM, including the leader:
- (a) copy of the constituent act, by-laws or by-laws in force, including, if any, changes made since the last consolidation, duly registered with the Board of Trade or competent body;
 - (b) in the case of corporations and limited companies, when applicable, the documents listed in item “a” above must be accompanied by the duly registered documents of election of its managers and, in the case of joint stock companies, the respective publications in the press;
 - (c) in the case of an individual company, the documents listed in item a above must be accompanied by the presentation of the commercial register of the BIDDER;
 - (d) in the case of investment funds, the documents listed in item a above must be accompanied by the instrument of incorporation with the last amendment filed with the competent body; the proof of hiring manager, if any, as well as the election of the acting administrator; proof of registration of the investment fund in the Securities and Exchange Commission – Portuguese acronym: CVM; of the investment fund regulation, and its subsequent amendments if any; of the proof of registration of the regulation of the investment fund before the competent Registry of Titles and Documents; of proof that the investment fund is duly authorized to participate in the BID and that its administrator may represent it in all acts and for all purposes of the BID, assuming, on behalf of the investment fund, all obligations and rights arising therefrom; and proof of qualification of the manager and, if there is one, of the manager of the investment fund, before the CVM; and
 - (e) in the case of open or closed supplementary pension entities, the documents listed in item a above must be accompanied by the registration or registration of the constitutive act, the minutes that elected the current administration, the current regulation, the express and specific authorization voucher as to the constitution and functioning of the supplementary pension scheme granted by the competent supervisory body and a statement that the plans and benefits administered by it are not

under liquidation or intervention by the Secretariat of Social Security of the Ministry of Treasury.

DOCUMENTATION RELATED TO THE ECONOMIC AND FINANCIAL QUALIFICATION

- 15.2.1.** For the purposes of the economic-financial qualification, the following documents must be presented by the individual BIDDER and, in the case of CONSORTIUM, by each member, including the leader:
- (a) for any type of company and for fund manager (s): negative certificate of bankruptcy and judicial recovery, issued by the Judicial Distributor of the District (Civil Courts) of the city where the company be filed, with a date no later than ninety (90) days prior to the DATE OF DELIVERY OF THE PROPOSALS; in the event of any judicial action being taken, the object and “certificate of object and foot” must be attached stating the updated process status for ninety (90) days prior to the DATE OF DELIVERY OF THE PROPOSALS;
 - (b) for the other BIDDERS: certificate issued by the Judicial Distributor of the Civil Courts in general (Patrimonial Execution) of the Region where the BIDDER is domiciled, dated no later than ninety (90) days prior to the DATE OF DELIVERY OF THE PROPOSALS; in the event of any judicial action being taken, the object and “certificate of object and foot” must be attached stating the updated process status for ninety (90) days prior to the DATE OF DELIVERY OF THE PROPOSALS; and
 - (c) balance sheet and respective financial statements for the last fiscal year, already payable and presented in accordance with the law, being forbidden to be replaced by balance sheets or provisional balance sheets, duly registered.
- 15.2.2.** For the purposes of accounting requirements, corporations must present financial statements in one of the following ways: publication in Official Gazette, publication in a newspaper of great circulation, or by certified copy.
- 15.2.3.** The other corporate types and the individual entrepreneur must present a certified copy of the balance sheet, registered with the Board of Trade, or another equivalent body, at the BIDDER.

- 15.2.4.** The balance sheet referred to in sub-item 15.3.1., letter "c", must be signed by the legal representative of the BIDDER and by an accountant duly authorized, and also, when legally required, be accompanied by the report of independent auditors.
- 15.2.5.** If the BIDDER is enrolled in the Public Digital Bookkeeping System –Portuguese acronym: SPED, the documents mentioned in subitem 15.3.1, letter "c", may be replaced by:
- a) proof of the digital delivery of the accounting book with the balance sheet and the financial statements required by law;
 - b) proof of the digital signature of the accounting book by the responsible director and by qualified accounting professional and duly registered in the Regional Accounting Council - Portuguese acronym: CRC, proving its regularity before the respective council;
 - c) copy of the opening and closing period of the respective accounting book;and
 - d) term of authentication of the accounting book with the balance sheet and the financial statements by the competent body.
- 15.2.6.** Foreign companies must present the balance sheet and financial statements, in accordance with subitem 15.3.1., letter "c", accompanied by a report by independent auditors, with all amounts converted to R \$ (reais – BRL), by the commercial exchange rate for sale disclosed by the Central Bank of Brazil (Portuguese acronym: BACEN), based on the base date of the financial statements, and prepared in accordance with the Generally Accepted Accounting Principles (Portuguese acronym: BRGAAP), pursuant to the provisions of Federal Law No. 6,404 / 76 and in Federal Law No. 11,638 / 07, with the replacement of balance sheets or provisional balance sheets.
- 15.2.7.** Companies constituted after the closing of the last fiscal year must present, in substitution of the Balance Sheet and the Financial Statements, the Opening Balance.
- 15.2.8.** For the purpose of the economic and financial qualification, BIDDERS must also present GUARANTEE OF PROPOSAL, in accordance with subitem 15.6.

DOCUMENTATION RELATED TO THE TAX AND LABOR REGULARITY

- 15.3.1.** For the purposes of proving tax and labor regularity, the following documents must be submitted by the individual BIDDER and, if applicable, by each member of the CONSORTIUM, including the leader:

- (a) proof of registration in the National Registry of Legal Entities of the Ministry of Treasury - Portuguese acronym: CNPJ;
- (b) proof of registration in the municipal taxpayer register relative to the BIDDER's domicile or seat;
- (c) proof of registration in the register of state taxpayers relative to the domicile or seat of the BIDDER;
- (d) proof of regularity with the National Treasury, by means of joint negative certificate of debts related to federal taxes and to the active debt of the Federal Government, issued by the Federal Revenue Service of Brazil and by the Office of the Attorney General of the National Treasury;
- (e) proof of regularity with the State Treasury of the BIDDER's headquarters, by means of certificates issued regarding debts registered in active debt, observed, in the case of BIDDERS based in São Paulo, the provisions of Intersecretarial Ordinance No. 02/2014 - SNJ / SEMPLA¹;
- (f) proof of regularity by means of a certificate of Personal Income Tax, relative to the Municipality of São Paulo, regarding debts not registered and registered in active debt, to be issued respectively by the Municipal Treasury Department of the Municipality of São Paulo;
- (g) Proof of regular status with the Guarantee Fund for Time of Service – Portuguese acronym: FGTS; and
- (h) proof of non-existence of debts defaulted before the Labor Court, upon presentation of the corresponding Negative Certificate of Labor Debts – Portuguese acronym: CNDT.

15.3.2. If the BIDDER is not registered as a taxpayer in the Municipality of São Paulo, he / she shall submit a statement signed by his / her legal representative / attorney, under the penalties of the law, non-registration and that nothing owes to the Municipality of São Paulo, **DECLARATION OF NON-REGISTRATION AND UNEMPLOYMENT OF DEBTS TO THE TREASURY OF THE MUNICIPALITY OF SÃO PAULO**, contained in ANNEX I - MODELS AND DECLARATIONS.

¹ Ordinance available at the following electronic address:
<<http://www.docidadesp.imprensaoficial.com.br/RenderizadorPDF.aspx?ClipID=F8QFC1BOU18I0e6GPNS35IRFPID>>.

- 15.3.3.** In case the BIDDER has more than one inscription in the Taxpayers' Registry - CCM in the Municipality of São Paulo, it must present a certificate of regularity of tax debts relating to each register that it has.
- 15.3.4.** Negative certificates or positive certificates with negative effect will be accepted as proof of tax and labor regularity.
- 15.3.5.** The documents and certificates presented must be valid on the DATE OF DELIVERY OF THE PROPOSALS.
- 15.3.6.** All documents that do not have an express expiration date will be considered valid for ninety (90) days from the date of their respective dispatch.

OF THE DOCUMENTATION RELATED TO THE TECHNICAL QUALIFICATION

- 15.4.1.** For the purposes of the technical qualification, the following documents must be submitted by the individual BIDDER or, in the case of CONSORTIUM, by at least one of its members:
 - (a) proof of suitability for the performance of the activity OBJECT of this BID, by means of the presentation of attestation(s) of technical-operational capacity, issued by a legal entity of public or private law, which proves that the BIDDER has economically operated or managed a multipurpose enterprise with a capacity to service at least five thousand (5,000) people.
- 15.4.2.** For the purpose of the proof referred to in sub-item 15.5.1, letter "a" (technical-operational qualification), in the case of CONSORTIUM that the BIDDER has participated, only attestations will be accepted when it has been shown that the BIDDER's participation has been higher to thirty percent (30%) of said CONSORTIUM or of any special purpose company constituted by CONSORTIUM.
- 15.4.3.** In the case of corporate changes and in cases of merger, incorporation or division of companies, only those certificates that prove unequivocally the final transfer of TECHNICAL ACQUIS.
- 15.4.4.** For the purposes of this NOTICE, and in particular sub-item 15.5.1, it is considered a legal entity of public law any entity of the Public Administration directly or indirectly, within the scope of the Union, the States, the Federal District or the Municipalities; private companies are those listed in article 44 of the Brazilian Civil Code.
- 15.4.5.** Attestations issued in the name of CONTROLLED, CONTROLLING or entity (s) subject to the same CONTROL, or on behalf of the legal entity (s) that assumes (m) the commitment to the BIDDER of contracting with the future SPCTo carry out the corresponding national and foreign management and operation services.
- 15.4.6.** In the event of a use by a BIDDER of attestations issued in the name of CONTROLLED, CONTROLLING, or entity (s) subject to the same CONTROL, or on behalf of the subcontracted legal entity (s), as the previous sub-item, the BIDDER shall declare

indicating such condition, together with the respective organization chart of the economic group and respective corporate relationships, effectively demonstrating the link between legal entities, or the commitment to contract with the future SPC, according to the model in the ANNEX I - MODELS AND DECLARATIONS.

- 15.4.7.** In the case of foreign BIDDERS, the attendance of the qualifying requirements indicated in sub-item 15.5.1 shall be given by means of the presentation of equivalent documents, if any, observed, for all purposes, the provisions in subitems 11.19 and 11.20 of this NOTICE.
- 15.4.8.** The certificate (s) must clearly and unequivocally present the required information on the official's stamped letterhead or in a certified copy, and must also contain at least the following information:
- (a) activities referred to;
 - (b) location of the activities to which it refers, specifying the type of enterprise;
 - (c) characteristics of the activities to which it refers, including the number of users / average day of the equipment;
 - (d) percentage of the BIDDER's participation in the enterprise to which it refers, when applicable;
 - (e) start and end dates of the activities and services to which it refers;
 - (f) description of the activities carried out in the consortium by the BIDDER, when the certificate has been issued in the name of a consortium;
 - (g) name of the issuer; and
 - (h) name and identification of the signatory of the certificate, with updated information of his / her telephones and e-mail for contact, accompanied by documentation proving his/ her status as representative of the issuer.
- 15.4.9.** The BIDDER must present, in a clear and unequivocal manner, the relevant data of the presented certificates, and also, in order to complement the required information, attach other relevant supporting documents.
- 15.4.10.** The compliance of the certificates may be confirmed by means of the diligence of the SPECIAL BIDDING COMMITTEE to ascertain the technical qualification of the BIDDER, in accordance with this BID, and failure to comply with the bidding requirements shall imply the inability of the BIDDER, without prejudice to other applicable sanctions due to the falsity of the information provided.

OF THE GUARANTEE OF PROPOSAL

- 15.5.1.** BIDDERS must submit a GUARANTEE OF PROPOSAL in the amount of three million, three hundred and seventy-two reais and three hundred twenty-four reais (BRL) and twenty-one cents (R \$ 3,372,324.21) for the purpose of participating in the BID.
- 15.5.2.** BIDDERS who do not submit the GUARANTEE OF PROPOSAL under the conditions set forth in this NOTICE will be disabled and will be prevented from pursuing the BID.
- 15.5.3.** For BIDDERS organized in CONSORTIUM, the PROPOSAL GUARANTEE must be presented in the name of one or more CONSORTIUM MEMBERS or even of the leading consortium, and must indicate expressly the name of the CONSORTIUM and of all CONSORTIOS, regardless of the GUARANTEE OF PROPOSAL to have been provided by one or more CONSORTIUM MEMBERS, or only by the leading company.
- 15.5.4.** The GUARANTEE OF PROPOSAL may be presented in the following ways:
- (a) deposit in cash, in local currency, deposited in a current account of the City of São Paulo, presenting the deposit voucher;
 - (b) collateral in federal public debt securities, not encumbered with clauses of inalienability and unenforceability, nor acquired compulsorily;
 - (c) insurance provided by national or foreign insurance company authorized to operate in Brazil, with the presentation of SUSEP's current certificate of regularity, in accordance with the MINIMUM TERMS AND CONDITIONS OF INSURANCE-GUARANTEE contained in ANNEX I - MODELS AND DECLARATIONS; or
 - (d) Bank, provided by a Brazilian or foreign financial institution authorized to operate in Brazil, with a credit rating on a national scale greater than or equal to "Aa2.br", "brAA-" or "A(bra)", as disclosed by the Moody's, Standard & Poor's or Fitch risk agencies, in favor of the GRANTING AUTHORITY, in accordance with the BANK GUARANTEE MODEL included in ANNEX I - MODELS AND DECLARATIONS.
- 15.5.5.** In case the guarantee is provided in the form of cash collateral, the proof of provision of the guarantee of proposal in the form of cash deposit shall be issued by the competent area of the Municipal Secretariat of Treasury; the BIDDER shall withdraw a document from the Municipal Secretariat of Sports and Leisure, located at Alameda Iraé, nº 35, Indianópolis, São Paulo - SP, and, with this document, deposit the said guarantee at the Municipal Treasury Service Center (Portuguese acronym: CAF) - Patriarca Square, 69, São Paulo-SP, exclusively by means of a prior electronic

schedule at <http://agendamentosf.prefeitura.sp.gov.br> or by the Electronic Scheduling application, available on Google Play and the Apple Store, under the terms of the Ordinance SF # 122/09.

- 15.5.6.** In the event that the guarantee is provided in the form of collateral in federal public debt securities, the security deposit document must be dated and signed by the financial institution in which the securities to be offered as collateral are deposited, stating that:
- (a) the said securities, clearly identified, will be secured in favor of the GRANTING AUTHORITY, as a guarantee of maintenance of the BIDDER'S COMMERCIAL PROPOSAL related to this NOTICE; and
 - (b) the GRANTING AUTHORITY may execute the bond under the conditions set forth in the BID.
- 15.5.7.** The GUARANTEES OF PROPOSAL presented in the insurance-guarantee and bank guarantee modalities must be presented with their value expressed in national currency, containing the signature of the administrators of the issuer, with proof of the respective powers of representation.
- 15.5.8.** The GUARANTEES OF PROPOSAL presented in the insurance-guarantee modality must follow SUSEP Circular No. 477/13.
- 15.5.9.** The GUARANTEE OF PROPOSAL offered may not contain exceptions or conditions that may raise doubts as to its feasibility.
- 15.5.10.** In the case of GUARANTEE OF PROPOSAL provided by two or more insurance-guarantee, the policies must expressly register their complementarity.
- 15.5.11.** For the GUARANTEE OF PROPOSAL presented in the form of collateral in federal public debt securities, the following securities:
- (a) Fixed Treasury;
 - (b) Treasure Selic;
 - (c) Treasury IPCA (Portuguese acronym for Broad Consumer Price Index) + with Semiannual Interest;
 - (d) IPCA Treasury;
 - (e) Treasury IGPM (Portuguese acronym for General Market Price Index) + with Semiannual Interest; and
 - (f) Treasury Bound with Semiannual Interest.
- 15.5.12.** The cash deposit will be retained until the release date set forth in item 15.16.17 and the GUARANTEES OF PROPOSAL in the other modalities will only be accepted with a validity period of not less than one hundred and eighty (180) days from the DATE OF DELIVERY OF THE PROPOSALS, subject to the provisions in the sub-items below regarding their renewal or replacement.

- 15.5.13.** In cases where the validity of the GUARANTEE OF PROPOSAL expires prior to the publication of the CONTRACT, the maintenance of the conditions of authorization of the BIDDER shall be conditioned to the regular renewal of the respective GUARANTEE OF PROPOSAL or its replacement by one of the other modalities provided in this NOTICE, at your own expense.
- 15.5.14.** It shall be incumbent upon the BIDDER to promote the timely renewal of his / her GUARANTEE OF THE PROPOSAL, prior to the expiration thereof, and shall communicate such expediency to the SPECIAL BIDDING COMMITTEE.
- 15.5.15.** In the case of renewal required after one hundred and eighty (180) days of its presentation, the GUARANTEE OF PROPOSAL will be adjusted by the variation of the CPI, or other index that replaces it, between the month of the DELIVERY DATE OF THE PROPOSALS and the month immediately prior to renewal.
- 15.5.16.** The proof of constitution of the GUARANTEE OF PROPOSAL shall compose ENVELOPE 2, observing the provisions of this NOTICE.
- 15.5.17.** The PROPOSAL GUARANTEES will be released within thirty (30) days after:
- (a) the signing of the CONTRACT, in the case of the successful BIDDER of the event;
 - (b) the AWARD, in the case of other bidders;
 - (c) the revocation or cancellation of the BID, for all bidders; or
 - (d) the maturity of the period referred to in sub-item 15.6.12. when there is no renewal of the PROPOSAL OF GUARANTEE by the BIDDER.
- 15.5.18.** THE SPECIAL BIDDING COMMITTEE will analyze the regularity and effectiveness of the GUARANTEES OF PROPOSALS presented, observing the provisions of this NOTICE.
- 15.5.19.** The total or partial default of the obligations assumed by the BIDDERS arising from their participation in the BID will cause the execution of the GUARANTEE OF PROPOSAL, upon prior notification of the BIDDER, without prejudice to the other penalties set forth in the BID or in the applicable legislation.
- 15.5.20.** The GUARANTEE OF PROPOSAL shall also be liable for the fines, penalties and indemnities due by the BIDDER to the GRANTING AUTHORITY incurred during the BID, including in case of refusal to conclude the CONTRACT by the CONTRACTING, and in no case shall be excluded from its responsibility and obligation to reimburse losses and damages that are not supported by the GUARANTEE OF PROPOSAL.

**THE PROCESSING OF THE BID
OF THE ENVELOPES OPENING**

- 16.0.1.** On the day, time and place established in this NOTICE, the SPECIAL BIDDING COMMITTEE will install the public session for the receipt of ENVELOPES 1 and 2, according to the following work order:
- (a) receipt of ENVELOPES 1 and 2 of each BIDDER;
 - (b) accreditation of the representatives of each BIDDER, in the form of item 13 of this BID;
 - (c) by at least one of the members of the SPECIAL BIDDING COMMITTEE and by at least one of the authorized representatives of the BIDDERS, of ENVELOPES 2 presented, still sealed, and which will be under the responsibility of the SPECIAL BIDDING COMMITTEE; and
 - (d) opening of ENVELOPES 1 of each of the BIDDERS.

OF THE OPENING AND ANALYSIS OF ENVELOPE 1 - COMMERCIAL PROPOSAL

- 16.1.1.** Once ENVELOPES 1 is open, their documents will be initialed by at least one of the members of the SPECIAL BIDDING COMMITTEE and by at least one of the accredited representatives of each of the BIDDERS present.
- 16.1.2.** The SPECIAL BIDDING COMMITTEE shall analyze the related documents and decide on the COMMERCIAL PROPOSALS with the respective order of classification disclosing the result by means of publication in the Official Gazette of the City of São Paulo.
- 16.1.3.** For the purpose of evaluating the COMMERCIAL PROPOSAL, the MINIMUM AMOUNT of the FIXED GRANT INSTALLMENT to be considered is thirty-six million, eight hundred and thirteen thousand reais – BRL (R \$ 36,813,000.00), the BIDDER being classified first, taking into account all the corresponding requirements, present the highest value of the FIXED GRANT INSTALLMENT among the COMMERCIAL PROPOSALS delivered, never lower than said limit.
- 16.1.4.** The BIDDER shall be disqualified:
- (a) that it does not present the documents required for ENVELOPE 1 in accordance with the forms, guidelines, requirements and conditions established in this NOTICE and in its ANNEXES, in particular in the MODEL LETTER OF PRESENTATION OF THE COMMERCIAL PROPOSAL contained in ANNEX I - MODELS E DECLARATIONS;
 - (b) whose documents are not signed by a person empowered to do so;
 - (c) whose COMMERCIAL PROPOSAL is not written in Portuguese;

- (d) whose COMMERCIAL PROPOSAL is not fully expressed in national currency;
- (e) whose COMMERCIAL PROPOSAL presents a price or advantage based on the COMMERCIAL PROPOSALS of the other BIDDERS;and
- (f) whose PROPOSALS have presented amendments, reservations or defects, or which omit any items required in this NOTICE or in the pertinent legislation.

- 16.1.5.** The first BIDDER shall be classified as having the highest value in respect of the FIXED GRANT INSTALLMENT, under the terms of this NOTICE.
- 16.1.6.** The other BIDDERS shall be classified in the descending order of the value of the FIXED GRANT INSTALLMENT presented in their respective COMMERCIAL PROPOSALS.
- 16.1.7.** In case of a tie in relation to the values presented by the BIDDERS, the applicable preference rules will be adopted, in accordance with the provisions of art. 3º, § 2, of Federal Law no. 8.666 / 93, in case the tie persists, proceed to the draw, in the form of art. 45, paragraph 2, of that law.
- 16.1.8.** The decision of the SPECIAL BIDDING COMMITTEE regarding the judgment of the COMMERCIAL PROPOSALS will be subject to appeal, under the terms of item 17 of the NOTICE.
- 16.1.9.** If the BIDDERS expressly waives the right to appeal, or after the deadline for the lodging of any appeals without manifestation, or, still, not provided the appeals filed, in accordance with item 17, the SPECIAL BIDDING COMMISSION shall opening of ENVELOPE 2 of the BIDDER ranked first.
- 16.1.10.** The session (s) held will be drawn up in detail, recording all the acts of the procedure and the relevant occurrences, which will be signed at the end by the Commission SPECIAL BIDDING PROCESS and by the accredited BIDDERS representatives present.

OF THE OPENING AND ANALYSIS OF ENVELOPE 2 - ENABLING DOCUMENTS

- 16.3.1.** On the day, time and place previously designated, the SPECIAL BIDDING COMMITTEE and the BIDDERS wishing to attend, in a public session, will meet for the opening of ENVELOPE 2 of the BIDDER best classified in the previous phase of the contest.
- 16.3.2.** Once ENVELOPE 2 has been opened, the ENABLING DOCUMENTS, including the GUARANTEE OF PROPOSAL, will be initialed by at least one of the members of the SPECIAL BIDDING COMMISSION and by at least one of the accredited representatives of each of the BIDDERS present who so wish.

- 16.3.3.** The SPECIAL BIDDING COMMITTEE will analyze the ENABLING DOCUMENTS and will publish, through publication in the Official Gazette of the City of São Paulo, the result of the analysis, with the reasons that justify its decision.
- 16.3.4.** In case of need, the SPECIAL BIDDING COMMITTEE may initiate proceedings or request clarification on the information and data contained in the ENABLING DOCUMENTS, including to confirm, where appropriate, the veracity of the documents and / or attestations presented.
- 16.3.5.** Failure to comply with the requests made by the SPECIAL BIDDING COMMITTEE under the terms of the previous subitem will lead to the disqualification of the BIDDER.
- 16.3.6.** Only the BIDDER that fully satisfies the provisions of the ENABLING DOCUMENTS, the GUARANTEE OF PROPOSAL and the other requirements set forth in this NOTICE will be qualified.
- 16.3.7.** The disqualification of any CONSORTIUM MEMBER shall lead to the disqualification of the entire CONSORTIUM.
- 16.3.8.** If the BIDDER first classified does not meet the requirements for qualification provided for in this NOTICE, the SPECIAL BIDDING COMMITTEE, in a public session to be duly appointed, will open ENVELOPE 2 of the BIDDER ranked second, and so on, repeating itself the procedures described in this section of the NOTICE.
- 16.3.9.** The SPECIAL BIDDING COMMITTEE shall keep the remaining envelopes presented by the BIDDERS until the PUBLICATION DATE OF THE CONTRACT, which shall be withdrawn by the responsible parties within thirty (30) days of that event, under penalty of destruction.

ADMINISTRATIVE APPEALS

In accordance with art. 109, I of Federal Law No. 8,666 / 93, BIDDERS may appeal against the decision (s):

- (a) the analysis and classification of the COMMERCIAL PROPOSAL;
- (b) the qualification or disqualification of BIDDER;
- (c) the application of the sanctions and penalties provided for in the NOTICE;
and
- (d) the cancellation or revocation of the BID.

Process no. 6071.2018/0000124-3

The appeal must be filed within a period of five (05) business days counted from the notification of the act, during the public session, or after publication of the decision in the Official Gazette of the City of São Paulo.

For any appeal, the deadline will start on the first business day following that of the respective summons, excluding the day of commencement and including the expiration date.

The appeal will be directed to the Municipal Secretary of Sports and Leisure, through the President of the SPECIAL BIDDING COMMITTEE, by protocol in the Support Office of the Municipal Secretariat of Sports and Leisure, located at Alameda Iraé, 35, Indianópolis, São Paulo - SP, observing the time between 10a.m; and 5 p.m., with the following identification:

Administrative appeal

International Competition Nº 01/SEME/2018

[BIDDER'S Corporate Name or Consortium Name]

The appeal will be communicated to the other BIDDERS, who may challenge it within five (05) business days, counting from the notification of the act, by protocol in the Support Office of the Municipal Secretariat of Sports and Leisure, located in Alameda Iraé, 35, Indianópolis, São Paulo - SP, observing the time between 10 a.m. and 5 p.m.

The SPECIAL BIDDING COMMITTEE may reconsider its decision within five (05) business days from receipt of the appeal, or have it submitted to the higher authority, duly informed, for approval or rejection, also observed in this case, the period of five (05) business days.

The resources must comply with the following requirements:

- (a) be duly substantiated;
- (b) be signed by a legal representative or prosecutor with sufficient powers;
and
- (c) be recorded exclusively in writing on the physical media in paper form, with the sheets duly initialed and signed by the subscriber, in the original, with the SPECIAL BIDDING COMMITTEE, at [.] , on business days, from 10 a.m. to 5 p.m.

Appeals filed after the deadline and in a place other than the one indicated will not be known.

The submission of documents or information that should have already been submitted in ENVELOPES 1 and 2 and whose omission has not been regularly supplied in the form established in this NOTICE.

The appeals against the decision-making acts indicated in sub-item 17.1, letters "a" and "b", will have suspensive effect, and the competent authority, motivated and present reasons of public interest, may grant suspensive efficacy to the other resources.

The appeal decision will be published in the Official Gazette of the City of São Paulo.

The receipt of the appeal brought will invalidate only those acts that can not be exploited

AWARD AND HOMOLOGATION

The result of the BID will be submitted by the SPECIAL BIDDING COMMITTEE to the Municipal Secretary of Privatization and Partnerships and to the Municipal Secretary of Sports and Leisure for homologation.

The GRANTING AUTHORITY shall award the object of the BID, after homologation, and shall call, by publication in the Official Gazette of the City of São Paulo, the CONTRACTING for signing the CONTRACT, within a period of sixty (60) days as of the date of said publication.

The period provided for in the previous sub-item may be extended for up to another 60 (sixty) days at the request of the CONTRACTING, and provided that it is duly justified. The extension by determination of the GRANTING AUTHORITY is also allowed.

Permitting the CONTRACTING to sign the CONTRACT within the period set, the GRANTING AUTHORITY, without prejudice to the application of administrative sanctions and the execution of the GUARANTEE OF PROPOSAL, summon the remaining BIDDERS in their respective order of classification, which must prove, for the purposes of the AWARD, the existence or constitution of GUARANTEE OF PROPOSAL, pursuant to this NOTICE.

In the case of the previous subitem and due to supervening facts, the GRANTING AUTHORITY may revoke the bid, by means of a duly justified decision.

ADMINISTRATIVE SANCTIONS

The CONTRACTOR's refusal to sign the CONTRACT within the term established by the GRANTING AUTHORITY, or failure to comply with the conditions precedent to the signing of the CONTRACT in the terms and deadlines set forth in this NOTICE, will allow the application of the following sanctions:

- (a) a fine corresponding to up to three million, three hundred and seventy-two reais and three hundred twenty-four reais and twenty-one cents (R \$ 3,372,324.21), which may be executed by retaining the GUARANTEE OF PROPOSAL;
- (b) temporary suspension of participating in bidding and impediment of contracting with the Administration for a period of twenty four (24) months;
- (c) a statement of disreputable to bid and contract with the Public Administration for a term of up to five (05) years, as long as the reasons for the punishment remain or until rehabilitation is promoted before the authority that applied the penalty, which will be granted when the contractor reimburses the Administration for the resulting damages and after the expiry of the sanction imposed based on the previous subitem.

The penalty provided for in sub-item "a" above may be applied cumulatively with one of the other penalties listed in the same sub-item, based on the seriousness of the violation and the parameters of reasonableness and proportionality to be observed in each case, the CONTRACTOR, within a period of five (05) business days from the date of the summons of the act.

The sanction of suspension of participating in bidding and contracting with the Administration and the sanction of declaration of disreputable may also be applied to those who make false declarations or commit tax fraud and those who do not maintain their COMMERCIAL PROPOSAL.

The sanction of suspension of participating in bidding and contracting with the Administration and the sanction of declaration of disreputable may also be applied to those who make false declarations or commit tax fraud and those who do not maintain their COMMERCIAL PROPOSAL.

In the case of the previous subitem, if the infraction is typified in art. 5 of Federal Law No. 12.846 / 13, the GRANTING AUTHORITY shall communicate the fact to the General Comptroller of the Municipality preliminary to the initiation of the verification procedure, according to the content of art. 3, § 7, of Municipal Decree No. 55.107 / 14.

CONDITIONS PRECEDING THE SIGNING OF THE CONTRACT

For the signing of the CONTRACT, the CONTRACTING shall establish a SOCIETY OF SPECIFIC PURPOSE (SPC), under the terms of this NOTICE AND CONTRACT.

The CONTRACTOR shall submit to the GRANTING AUTHORITY the documents proving to have constituted the SPC and paid in at least five (05) business days before the date scheduled for signature of the CONTRACT, business days before the date foreseen for signing the CONTRACT, under the terms of the CONTRACT, with the corresponding certificate issued by the Commercial Registry of the State of São Paulo and the registration in the National Registry of Legal Entities (CNPJ), as well as the ownership and management structure of the SPC.

If the CONTRACTOR or the CONTRACTING CONSORTIUM is a foreign company, it must, within the same period stipulated in the previous sub-item, demonstrate that it has an authorization for operation in the country or equivalent, and an act of registration or authorization for operation issued by the competent body, when its activity requires it.

In the same period stipulated in sub-item 20.2, the CONTRACTING must prove to the GRANTING AUTHORITY:

- (a) which provided the GUARANTEE OF EXECUTION OF THE CONTRACT;
- (b) who reimbursed those responsible for the preparation of the studies in the amounts to be paid as compensation due to Public Call Notice No. 02/2017 - SMDP, in the amount and for the addressees indicated in the proper decision of the respective Special Evaluation Committee on the use of contributions received;
- (c) who deposited the FIXED GRANT INSTALLMENT to the GRANTING AUTHORITY, in current account and financial institution formally indicated by the GRANTING AUTHORITY;

- (d) which does not have pending issues with the Municipal Information Register - CADIN, under the terms of the Municipal Law No. 14.094, of December 6, 2005, which regulates the inclusion in CADIN;
- (e) that the CONTRACTOR has the documents of fiscal and labor regularity required in this NOTICE, duly updated on the occasion of the hiring; and
- (f) which undertakes to assume the contracts in force in the concession area provided for in ANNEX IV – CONTRACTS AND COOPERATION TERMS IN FORCE IN THE AREA OF THE CONCESSION, upon presentation of the term provided for in ANNEX I - MODELS AND DECLARATIONS.

Within thirty (30) days of the DATE OF THE STARTING ORDER, the CONCESSIONAIRE shall also submit to the GRANTING AUTHORITY the plans set forth in ANNEX III – SET OF SPECIFICATIONS OF THE CONCESSIONAIRE, of the CONTRACT.

- 20.4.1.** The presentation of the plans described in the previous sub-item aims to demonstrate the strategy to be followed by the CONTRACTING in fulfilling the obligations under the CONTRACT.
- 20.4.2.** The GRANTING AUTHORITY shall rule on the adequacy of the plans referred to in the previous sub-items within ten (10) days of receiving them, without prejudice to the interaction with the CONTRACTING during its development.
- 20.4.3.** During the period of analysis, the GRANTING AUTHORITY is also entitled to convene meetings for eventual clarifications and specific adjustments to said plans.
- 20.4.4.** The non-acceptance of the GRANTING AUTHORITY as to the plan (s) presented must be substantiated, indicating the items that require suitability, and for this purpose, an additional term must be opened to the CONTRACTING to make the corresponding adjustments, in a period never exceeding 10 (ten) days.

Failure by the CONTRACTING to comply with the deadlines defined in this item, or failure to make the adjustments indicated in the previous sub-item, shall authorize the GRANTING AUTHORITY to call the BIDDER second in the contest, and so on, in accordance with the systematics of art. 64, § 2, of Federal Law No. 8.666 / 93, or the revocation of the BID, without prejudice to the application of penalties corresponding to the CONTRACTING.

The documents mentioned in the previous subitems must be presented in copies or in the original, with validity in force on the date of their presentation.

Once all the conditions precedent have been fulfilled, the CONTRACT will be signed and the publication of its extract in the Official Gazette of the City of São Paulo, from which the GRANTING AUTHORITY may issue the STARTING ORDER.

OF THE CONTRACT

The CONTRACT will comply with the terms of the draft included in ANNEX II - DRAFT CONTRACT of this NOTICE.

The applicable legislation will be that in force on the date of the acts or facts that occur.

OF THE CONCESSIONAIRE

The CONCESSIONAIRE will be an SPC, constituted as a joint-stock company, under the terms of the Brazilian laws, for the purpose of exploring the OBJECT OF THE CONCESSION and shall also be headquartered in the Municipality of São Paulo.

The social status of the CONCESSIONAIRE shall include a clause that changes its corporate purpose without prior and express written consent of the GRANTING AUTHORITY.

The fiscal year of the CONCESSIONAIRE and the financial year of the CONTRACT will coincide with the calendar year.

The SPC shall comply with corporate governance standards and adopt accounting and standardized financial statements, in accordance with the regulations, in accordance with accounting practices adopted in Brazil, based on Brazilian Corporate Law (Federal Law No. 6404/76 and subsequent amendments), rules and regulations of the CVM and of the Accounting Standards issued by the Federal Accounting Council.

The CONCESSIONAIRE shall be bound, throughout the term of the CONCESSION, to the provisions in the CONTRACT, in the NOTICE, in the documentation presented by it, in particular the COMMERCIAL PROPOSAL, and the respective contractual documents, as well as municipal, state and federal legislation.

FINAL DISPOSITIONS

BIDDERS interested must be fully aware of the elements contained in this NOTICE, as well as all the general and peculiar conditions of the OBJECT to be contracted, and can not invoke any lack of knowledge as an impediment to the formulation of their proposal or to the perfect fulfillment of the CONTRACT.

BIDDERS are responsible for the accuracy of the information and documents presented at any stage of this BID.

Process no. 6071.2018/0000124-3

The GRANTING AUTHORITY may revoke or cancel this BID in accordance with art. 49 of Federal Law No. 8,666 of June 21, 1993.

The BIDDER shall bear all costs related to the preparation and presentation of its documentation and COMMERCIAL PROPOSAL, and the GRANTING AUTHORITY shall not be liable in any event for such costs, whatever the procedures followed in the BID.

The deadlines established in days, in this NOTICE and its ANNEXES, will be counted in consecutive days, unless expressly referred to working days, excluding the first day and include the last one.

Except as otherwise provided, the GRANTING COMPANY's business days only start and expire, the initial term and the end of which expire on the first business day thereafter, in cases where the date of commencement or maturity of the term coincides with a day when there is no record.

The missing cases will be solved by the SPECIAL BIDDING COMMITTEE, which shall interpret the rules set forth in this NOTICE and base its decisions in accordance with current regulations and the principles governing Public Administration.

São Paulo (SP), of May 14, 2018.

MUNICIPAL SECRETARY OF PRIVATIZATION AND PARTNERSHIPS

MUNICIPAL SECRETARY OF SPORTS AND LEISURE