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Ministerio
de Economía y Finanzas

Agencia de Promoción
de la Inversión Privada

Dirección de Portafolio de
Proyectos

“Decenio de la Igualdad de Oportunidades para Mujeres y Hombres”
“Año del Diálogo y la Reconciliación Nacional”

DECLARATION OF INTEREST OF COFINANCED UNSOLICITED PROPOSAL OF THE WASTEWATER TREATMENT SYSTEM PROJECT OF LAKE TITICACA BASIN

On February 28th, 2018, Proinversión’s Steering Council Committee, passed Agreement N° 46-1-2018-CD, declaring of interest the co-financed unsolicited proposal Wastewater Treatment System from Lake Titicaca Basin (hereinafter called, the Project) submitted by Consorcio Aguas de Puno (hereinafter called, the Proposer).

In accordance with Legislative Decree N° 1224, framework for Private Investment Promotion through Public Private Partnerships and Asset Projects, and its Regulations pursuant to Supreme Decree N° 410-2015-EF, and its modifications; any and all third parties interested in the project may manifest their interest before Proinversión within a period not exceeding ninety (90) calendar days, as of the day following publication of the declaration of interest herein.

Should no third parties interested in developing the project manifest themselves during the above mentioned period of time, ProInversión will ask the Office of the National Comptroller General for its opinion on the final draft of the Contract¹, and then proceed to award the project directly.

This declaration of interest incorporates all modifications made to the draft in the unsolicited proposal submitted by the Proposer; hence, it is the only document that regulates the terms and conditions to develop and execute the project. The present declaration of interest cancels and supersedes all previous documents pertaining to this matter.

Any items or aspects not described or foreseen in this document, including necessary regulations, will be developed and completed in the Concession Contract that will arise from award of the project.

The studies and amounts used to support the declaration of interest herein are just referential and, thus, the State does not guarantee their integrity.

¹ Pursuant to Official Letter N° 70-2018-EF/68.01, dated February 21st, 2018, by which the General Office of Private Investment Promotion Policy of the Ministry of Economy and Finance, as Governing Body of the National Promotion System for Private Investment, states that “(...) Article 17 of the Unique Arranged Text of Legislative Decree N° 1224, approved by Supreme Decree N° 254-2017-EF, regulates the opportunity of preliminary opinions requests to all agencies and offices involved, dividing three stages: (...) iii) Prior to award of contract; opinion on “Final Draft of Contract”; and that, “the Declaration of Interest at the time of approval does not have a final draft of the contract”.



A. SUMMARY OF PROJECT IN THE CO-FINANCED UNSOLICITED PROPOSAL

i. Purpose and Project Scope

The Project comprises:

- The design, finance, construction, expansion, rehabilitation, operation and maintenance of the collector mains, pumping stations, pressure pipes, treatment and final disposal of waste water, including, if the case be, closing down the existing infrastructure in Juliaca, Puno, Ilave, Ayaviri, Juli and Moho.

For these places, the following sewerage, treatment and final disposal waste water flow averages (Qp) will be considered by project design as the lowest:

1.- Juliaca	840 l/sec	4.- Ayaviri	55 l/sec
2.- Puno	400 l/sec	5.- Juli	45 l/sec
3.- Ilave	110 l/sec	6.- Moho	23 l/sec

The construction, operation and maintenance of infrastructure associated to collector mains, pumping stations, pressure pipes and final disposal will provide for the aforementioned water flows; however, for the treatment systems and final disposal of wastewater, the following average flows (Qp) will be considered the lowest:

1.- Juliaca	752 l/sec	4.- Ayaviri	51 l/sec
2.- Puno	359 l/sec	5.- Juli	40 l/sec
3.- Ilave	95 l/sec	6.- Moho	20 l/sec

Also, Project design must comply with Minimum Service Levels and Minimum Project Requirements as established by the State in the Concession Contract.



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However, in the event the project contract were awarded directly, the Proposer is obliged to comply with the minimum service levels offered, described in the Concession Contract, pursuant to the technical solution proposed for Project execution, with the following characteristics:

- For Puno and Juliaca: Activated sludge with primary sedimentation, nitrification and de-nitrification. Filtration and ultraviolet disinfection. Additionally, chemical precipitation of phosphorus system and an underwater lake discharge pipe are included for Puno. Also, a sludge treatment line.
- For Ilave, Ayaviri, Juli and Moho: Extended aeration active sludge. Filtration and ultraviolet disinfection. Additionally, a chemical precipitation of phosphorus system, an underwater lake discharge pipe are included for Juli. Also, a sludge treatment line.
- Operation and maintenance of collector mains, pumping stations, pressure pipes, treatment and final disposal of wastewater in Azángaro, Yunguyo, Huancané and Lampa.

For these places, Project infrastructure to be provided by the State includes the following conduction, treatment and final disposal average flows (Qp):

1.- Azángaro	48.38 l/sec	3.- Huancané	14.40 l/sec
2.- Yunguyo	28.00 l/sec	4.- Lampa	5.98 l/sec

This infrastructure will be provided by the State with all necessary permits included for its operation and maintenance, complying with the Minimum Levels of Service established in the Concession Contract.

Treatment technical solutions adopted by the State for these places are:

- For Azángaro: facultative and maturation ponds.
- For Yunguyo: activated sludge, type SBR extended aeration. Ultraviolet disinfection. Sludge treatment line with thickening and centrifugation.



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- For Lampa: Imhoff tank and percolator filters. Chlorine disinfection. Sludge treatment line with sludge drying beds.
- For Huancané: Up-flow Anaerobic Sludge Blanket (UASB). Percolator filter. Chlorine disinfection. Sludge treatment line with sludge drying beds.
- Technical support to each Sanitation Service Provider of the ten (10) places in Juliaca, Puno, Ilave, Ayaviri, Juli, Moho, Azángaro, Yunguyo, Huancané and Lampa, to monitor and control of Maximum Allowable Values (MAV) in nondomestic wastewater discharge into the sewage system, in accordance with the terms and conditions of the Concession Contract and applicable laws and regulations.

ii. Assets or services upon which the project will be developed

Pursuant to Legislative Decree N° 1280 – Framework Law for Management and Provision of Sanitation Services; and its Regulations, approved by Supreme Decree N° 019-2017-VIVIENDA, the project will be developed and built upon installations, infrastructure, equipment or activities related to the following public services: (i) sewerage; and, (ii) treatment of wastewater for final disposal or reuse.

iii. Type of contract and term of concession contract

- Type of contract:
The Project is a co-financed public private partnership with a Concession Contract, pursuant to paragraph 11.4 of Article 11 of the Regulations of Legislative Decree N° 1224, approved by Supreme Decree N° 410-2015-EF and its modifications.
- Concession Contract Term:
Term of Concession shall be thirty (30) years as of day of Contract execution, and may be extended for as long as the Laws and Applicable provisions establish.

iv. Investment reference amount

According to Project assessment, the estimated investment amount needed to execute it includes among other, the following concepts: design, studies, construction, interference clearance, equipment, start up, licenses, permits and related public private Partnership project execution costs, plus all and everything described in the Concession Contract, included Service Provision Contracts.



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Reference Investment Amount is S/ 841,050,553.00 (eight hundred forty one million fifty thousand five hundred fifty three 00/100 soles), Sales Tax not included.

v. Tentative Investment Project Schedule

The tentative investment execution project schedule is shown in Chart 1. Please note the project will not require public resources during the investment stage.



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Chart 1: Tentative Investment Project Schedule

Description of Components			Year																															
			1				2				3				4				5				6				7-30							
			Quarter				Quarter				Quarter				Quarter				Quarter				Quarter											
COMPONENT	DESCRIPTION	Places	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
1	Main gravity sewers	1.Juliaca 2.Puno	Design (TD.1)				Construction (Incl. Workability)				Only Collector Workability				Start up				O&M and MAV															
2	WWPSs, pressure pipes, WWTPs, outfall pipes and close down of existing infrastructure	3.Ilave 4.Ayaviri 5.Juli 6.Moho	Design (TD.2)								Construction (inc. Workability)								Start up				O&M and MAV											
3	Collectors, WWPSs, pressure lines, WWTPs, outfall pipes	7. Azángaro 8.Huancané 9. Lampa 10. Yunguyo													Maximum term to start operation of Component 3, since of the date of issued the Certificate of Commencement of Operations of Components 1 and 2												O&M and MAV							

TD: Technical Dossier

O&M: Operation and Maintenance of Infrastructure in charge of CONCESSIONAIRE

MAV: Technical support to monitor and control of Maximum Allowed Values

WWPSs: Waste Water Pumping Stations.

WWTPs: Waste Water Treatment Plants.



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vi. Proposed Payment Plan

The Project will be completely co-financed by the Ministry of Housing, Construction and Sanitation – MVCS and, therefore, the risk of demand or income shall not be transferred to the Concessionaire. Thus, Project income will come from funds provided by the State as Co-Financing.

Co-financing being provided by Grantor, which allows give back to the Concessionaire for the investments made through Compensation for Investments (RPI in Spanish) and provision of services through Compensation for Operation and Maintenance (RPMO in Spanish). The resources needed to co-finance the project will be committed by the Ministry of Housing, Construction and Sanitation, from its budget.

The Grantor agrees to pay for RPI and RPMO, pursuant established in the Concession Contract.

1. Investments required by the Project

At first the necessary investments will be made to reach project demand, except for those associated to waste water treatment systems, which will be executed under Project conditions and minimum requirements as established in the contract.

The investments made will be acknowledged through the constructive milestone mechanism, through of Work Progress Certificates (CAO in Spanish) issued by Grantor for each milestone executed, until reaching 100% investment. The acknowledged investments will be paid through an annual RPI, whose payment will be made every six months, pursuant to the Concession Contract. Each CAO issue will generate a RPICAO, a fraction of the RPI equivalent to the percentage of the investment expressed in each CAO issued and paid by the Grantor as established in the Concession Contract.

The Grantor will pay the Concessionaire for the commencement works through a competitive RPI. Future collection rights guaranteed unconditionally and irrevocably in favor of Concessionaire will be equivalent to the 100% the RPICAO, and will have a set date to commence payment.



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RPI value will be a fix value and will be paid every six months for 15 years, with an amount equivalent to annual RPI divided in two (RPI/2).

The Concessionaire will be paid taking under consideration the following aspects, as established in the Concession Contract:

- Works of Component 1 will be made during the first 18 months of the Concession and before Financial Closer (See Investment Project Tentative Schedule).
- Capital stock is minimum 18 percent of the Reference Investment Amount.
- The CAO will be acknowledged after Financial Closer.
- The Contract Performance Bond during the time of execution of works will be 20 percent of the reference investment amount, same that must stay in effect for two more years after acceptance of works by Grantor. The amount of this guarantee may be modified according to the provisions in the Concession Contract.

The Concession Contract foresees demand thresholds for each location, so that, when established values of one of these thresholds are reached the concession contract parties may agree, according to what is established in the contract, the execution of investments needed to meet the wastewater treatment capacity estimated for the Project.

2. Provision of Service

The Grantor, from the start of operations of the infrastructure in Ayaviri, Moho, Juliaca, Puno, Ilave and Juli, until the end of concession, will pay the Concessionaire for the provision of Service in these locations meeting the levels of service established in the Concession Contract, including the Service Provision Contracts, a competitive RPMO.

The Grantor, from the start of operations of the already existing infrastructure in the locations in Azángaro, Huanané, Lampa and Yunguyo until the end of concession, will pay the Concessionaire for the provision of Service in these



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locations meeting the levels of service established in the Concession Contract, including the Service Provision Contracts, a non-competitive RPMO for each location.

In both cases, RPMO payments will be made every six months and according to the terms and conditions established in the Concession Contract, and will be subject to deductions for noncompliance with Service Levels.

Maximum Values of the Consideration

Maximum annual values of the consideration for the project will be:

Payment for Investments

- RPI: S/ 136 207 946.33 (one hundred thirty six million two hundred seven thousand nine hundred forty six 33/100 soles), yearly, not including sales tax. The RPI is a constant value, which will not be modified during its payment period in force.
- Payment start date: according to the Concession Contract, (i) starting in June or December right after execution of Certificate of Commencement of Operations within Components 1 & 2; or, (ii) starting June or December immediately after the elapse of twenty-four (24) months of the execution of Certificate of Commencement of Component 2 Construction Period; whichever happens first.
- Proposed payment frequency: Six monthly, equivalent to RPI/2.

Payment for Operation and Maintenance

- RPMO: S/ 58 083 288.12 (fifty eight million eighty three thousand two hundred eighty eight and 12/100 Soles), annual, not including sales tax.
- The RPMO is a yearly amount with a six-month regularity payment, as the terms and conditions established in the Concession Contract.
- Payment start date: at the end of the first six months of operations pursuant to the Concession Contract.

Value of Competitive RPMO for each location will be:



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Location	Participation	RPMO S/ (w/o IGV)
RPMO PTAR AYAVIRI	7.28%	4 058 249.98
RPMO PTAR MOHO	5.44%	3 032 699.28
RPMO PTAR JULIACA	38.83%	21 653 601,68
RPMO PTAR PUNO	30.05%	16 757 880.10
RPMO PTAR ILAVE	11.40%	6 354 023.74
RPMO PTAR JULI	7.00%	3 904 122.92
RPMO competitive	100.00%	55 760 577.70

The fixed and variable component percentages are:

- % Fixed = 56.07%
- % Variable = 43.93%

The existing infrastructure RPMO (non-competitive) will amount to, not including sales tax:

Location		RPMO S/
RPMO PTAR AZANGARO	30.23%	702 045.70
RPMO PTAR HUANCANE	13.49%	313 302.24
RPMO PTAR LAMPA	2.18%	50 703.46
RPMO PTAR YUNGUYO	54.10%	1 256 659.02
RPMO non-competitive	100.00%	2 322 710.42

B. EXPRESSIONS OF INTEREST IN THE PROJECT AND THE SELECTION PROCESS

Third parties interested in Project execution will have ninety (90) calendar days as of publication of the declaration of interest herein, to submit their expressions of interest.

All expressions of interest shall be delivered to the reception desk of Proinversión, at Avenida Enrique Canaval Moreyra Nro. 150, Lima 27 (San Isidro), Perú.

1. Requirements to Submit Expressions of Interest

Third parties interested in the Project shall submit their expressions of interest that must include the following



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- a) A template of letter of expression of interest, in the format attached in Annex 1.
- b) Template of letter of guarantee, unconditional, irrevocable, automatic, joint and several, payable to ProInversión, for S/ 5 887 354.00 (five million eight hundred eighty-seven thousand three hundred and fifty-four soles), according to the format attached as Annex 2.
- c) This guarantee must be in effect until the execution of the corresponding Concession Contract, and must be issued by one of the Banks listed in Annex 3 of the present Declaration of Interest.

2. Tender Procedure in the event there are other interested parties

If one or more third parties show up within the ninety (90) calendar day period, interested in executing the project, ProInversión will proceed to develop the corresponding selection process pursuant to the Tender Rules approved for this matter.

The selection process will have three (3) stages, with the three-envelope system:

- Envelope N° 1: Qualification
- Envelope N° 2: Technical Proposition
- Envelope N° 3: Economic Offer

The qualification requirements (general, technical, financial, legal or other) will be assessed in the first stage with the documentation included in Envelope 1, considered necessary to continue onto the second stage pursuant to the tender rules of the selection process.

Once the qualification process is over the interested parties will be called, on a day to be stated in the tender rules, to submit Envelopes 2 & 3, and the opening of Envelope 2, which includes documents required by tender rules to certify validity and truthfulness of the information submitted, the acceptance of the general conditions of the concession contract, the guarantees to ensure validity and effect of the Economic Offer and Technical Proposal.

Bidders may develop technical solutions that differ from the one proposed by the Proposer, as long as they comply with the Objective and Scope of the Project and



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conditions established in the Tender Rules and the final draft of the Concession Contract.

Therefore, Bidders must state that Envelope 2 includes documents that certify that the technical solution proposed has been successfully implemented before in similar environmental conditions to that of the project and that will be able to meet the levels of service demanded by the State.

Also, in the event that the technical solutions required more land than that provided by the State, the cost and risk of the acquisition of that land, including clearance of interferences, shall be borne exclusively by the Concessionaire.

The documents included in Envelope 2 will be evaluated during the period to be yet established in the Tender Rules Schedule. Only those Bidders who qualified, whose technical proposals in Envelope 2 comply satisfactorily with the minimum requirements established in the rules, and thus have been declared technically accepted, will continue onto stage 3 of the selection process, pursuant to the Tender rules.

Envelope 3, with the economic offer, will be open in the third stage.

C. COMPETITION FACTOR OF COMPREHENSIVE PROJECTS TENDER

The method to determine the competition factor will be the lowest present value of the considerations offered by each bidder, whether by RPI, or by RPMO.

The RPI and RPMO amounts and the RPMO fixed and variable components, included in the present declaration of interest, are only and exclusively for the Project declared of interest in case the Proposer is awarded the contract directly. In the event of third parties interested in the project, the RPI and RPMO maximum values will be determined by the Tender Rules.

The mechanism and procedure of the competition factor will be established in the Tender Rules.

D. QUALIFICATION REQUIREMENTS FOR THE SELECTION PROCESS TO BE CALLED FOR

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Important: This is an unofficial translation. In the case of divergence between the English and Spanish text, the version in Spanish shall prevail



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The qualification requirements for Project Bidders shall be; general, technical, financial and legal as follows:

1. General Requirements

The bidder, or at least one of the members in case of a consortium, must certify a participation no less than 25 percent in the society or consortium, which has executed at least one public private partnership or concession Project to develop infrastructure or provision of public services.

2. Technical Requirements

The bidder must at least certify experience in the last twenty (20) years, in:

- Operating two (2) wastewater treatment plants, with treatment capacity² of at least 400 l/sec or 34,560 m³/day each, permanently operating for two (2) consecutive years.
- Construction of two (2) wastewater treatment plants, with treatment capacity³ of at least 400 l/sec or 34,560 m³/day each, with certificate of works acceptance or similar document from the country where the project was done, and are in still in operational stage.

Experience in operating wastewater plants may be certified by bidder or by one of its members in the event of a consortium; directly or through a related company. The bidder or member of bidder that certifies experience in at least one of the operation experiences must become Strategic Partner, according to the conditions established in the Concession Contract.

A related company or one or more construction companies that will be hired by the concessionaire may certify by bidder or by one or more members in the event of a consortium, experience in construction.

The construction firm hired by the concessionaire will be jointly and severally liable with the Concessionaire, as per the conditions established in the Concession Contract.

² Average flow.

³ Idem.



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To certify compliance with the operations and construction requirements it will be acceptable to invoke experience in prior projects, member must have had no less than a 25 percent (25%) share in the society or consortium formed to execute the project.

Also, experience from companies related to operator or builder to be certified will be considered with the same conditions described in the preceding paragraph.

3. Financial Requirements

Bidder must certify:

- A minimum equity of S/ 252 315 166.00 (two hundred fifty-two million three hundred fifteen thousand one hundred fifty six 00/100 soles).

This requirement may be met as follows:

- i) Directly by bidder in case of a corporation; or,
- ii) Adding together the equity of each member of bidder if it were a consortium.

In both cases, said requirement can be certified through one or more related companies. In no way can the same equity be certified more than once; and,

In order to certify minimum equity, third parties interested must submit copy of audited financial statements or, instead, with annual reports or similar public documents, or submitting a document issued by an external audit firm duly registered in the registry of companies qualified to appoint and hire of the Office of the National Comptroller General, in which review of bidder's financial statements is declared (or its members if it is a consortium) and the amount of equity is ratified.

Foreign audit firms must: i) be authorized to perform this service according to legislation of bidder's country of origin (or its Parent Company or its Affiliated Companies, in case the equity is certified by any of them).



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Minimum Equity required must be from a closed fiscal year of the last three (3) years as of the date each bidder delivers its Envelope 1 in the selection process called, if applicable.

Also, equity may be certified with consolidated financial statements from parent company; own equity nor equity from other affiliated or subsidiary companies will be acceptable.

The financial information subject matter of this paragraph may be submitted in Spanish or English; translation is not required for the latter. Should financial information be submitted in a different language, then it must have a non-official translation to Spanish attached.

For Evaluation Letters of Intent from a bank, bidder may submit the evaluation letter of intent issued by financial entities that may help provision for the necessary resources to comply with contractual obligations. These letters of intent may include: amount, currency, rate of interest, repayment term, grace period, structuring expenses, and covenants, among other.

4. Legal Requirements

Bidder must prove to be part of a consortium or a legal entity, duly incorporated, and showing powers of attorney for its legal representative. For a consortium, each of its members must comply with these requirements; also, the bidder must deliver the sworn statements and formats described in the Tender Rules, among other.

Among the sworn statements to be delivered at this stage there must be one where bidder accepts, in the event of being awarded the contract, to set up a society or already have a society duly set up whose sole purpose is to engage in these activities and to provide the services described in the present declaration of interest and in accordance with the Concession Contract.

The Concessionaire must comply with the following: (i) the company's business object must be framed within the purpose of the Concession Contract; and, (ii) minimum subscribed and paid-in capital in a way and at a time to be established in the Tender Rules.

E. RIGHT OF PROPOSER TO MATCH FIRST PLACE OFFER



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Pursuant to paragraph 51.4 in Article 51 of the Regulations of Legislative Decree 1224, approved by Supreme Decree 410-2015-EF and its modifications, in the event the Proposer takes part in the selection process and complies with delivering the documentation required in the Tender Rules to be consider a shortlisted bidder, plus a technical proposal and economic offer as per Tender Rules, bidder will have the right to match the offer that won first place.

If so, there will be a final tiebreaker between the Proposer and the bidder that won first place, submitting each an improved offer based on the competition factor. This tiebreaker will be held during the ceremony of opening tender envelopes for economic offer and contract award, as per Tender Rules.

F. REIMBURSEMENT OF EXPENSES INCURRED BY PROPOSER IN MAKING THE COFINANCED UNSOLICITED PROPOSAL

Pursuant to Article 36 of Legislative Decree 1224, and paragraphs 49.4 and 49.5 in Article 49 of the Regulations of Legislative Decree 1224, the following amounts of money will be payable to the Proposer (i) S/ 2 994 035.01 (two million nine hundred ninety four thousand thirty five soles and one cent); and (ii) US\$ 14 150.56 (fourteen thousand one hundred fifty US Dollars and fifty six cents), sales tax included in both cases. Indicated expenses incurred in making the co-financed unsolicited proposal shall be borne by winning bidder.

Interested third parties, at the time of delivering the expression of interest, shall acknowledge and accept execute reimbursement of Proposer expenses, as required by Proinversión.

G. PROCESS EXPENSES

The bidder awarded the concession contract must reimburse Proinversión, on the date of concession contract execution, those expenses incurred in preparing the process. Final cancelation date to be announced.

H. PUBLIC PRIVATE PARTNERSHIP CONTRACT DRAFT



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According to the last paragraph in Official Letter N° 70-2018-EF/68.01, *“the Declaration of Interest does not include in its approval a final draft of the contract”*; thus, the draft of the Public Private Partnership approved by the Declaration of Interest herein is subject to this condition, and is posted in the institutional web page of Proinversion: www.proinversion.gob.pe, pursuant to the binding opinion of Governing Body of the National Promotion System for Private Investment.

For all matters not provided for herein and that might constitute elements part of the Concession Contract, including the Service Rendering Contracts, the Concessionaire agrees to submit to the rules and procedures that have the opinion of entities linked to the Project, as well as to the Law and applicable regulations.



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ANNEX 1
TEMPLATE OF LETTER OF EXPRESSION OF INTEREST

Lima,..... 2018

Messrs.

Agencia de Promoción de la Inversión Privada – Proinversión

Reference: **Co-financed unsolicited proposal “Wastewater Treatment System of Lake Titicaca Basin”**

This is to confirm that,..... (name of legal entity), identified with(type of document and number), with legal residence at....., (address, district, province, department or similar and country), duly represented by(name of legal representative), identified with (Identification document and number), declare our firm decision in taking part in the execution of the investment project described in the co-financed unsolicited proposal above referenced.

We also declare that at the time of submitting Envelope N° 1 in the public tender to be called, we will comply with certifying and showing proof for the general, technical, legal, and financial requirements indicated in the declaration of interest of the co-financed unsolicited proposal “Wastewater Treatment System of Lake Titicaca Basin”, and that we are not involved or incurred in the assumptions provided for in Article 19 in Homogenized Text of Legislative Decree 1224.

Therefore, according to the text in the declaration of interest of the abovementioned Co-financed Unsolicited proposal and the applicable regulations, we enclose Template of Letter of Guarantee N°, issued by.....Bank, for S/ 5’887,354.00 (five million eight hundred eighty seven thousand three hundred fifty four soles)

With nothing, further at this time,

Sincerely yours,

Name and signature of Legal Representative
Name of Legal Entity
Address
Telephone
Email



PERÚ

Ministerio
de Economía y Finanzas

Agencia de Promoción
de la Inversión Privada

Dirección Especial de
Proyectos

“Decenio de la Igualdad de Oportunidades para Mujeres y Hombres”
Año del Dialogo y la Reconciliación Nacional

ANNEX 2 TEMPLATE OF LETTER OF GUARANTEE

Lima,.....de....., 2017

Messrs.

Agencia de Promoción de la Inversión Privada - Proinversión

Ref.: Template of Letter of Guarantee N°

Expiry date:.....

At the request of our client....., we hereby issue this template of letter of guarantee unconditional, irrevocable, automatic, joint and several for S/. 5'887,354.00 (five million eight hundred eighty seven thousand three hundred fifty four soles) payable to Proinversión, to guarantee seriousness of template of letter of expression of interest and participation of our client in the selection process for the execution of the investment project included in the Co-financed Unsolicited proposal declared of interest.

Also, we certify that this template of letter of guarantee will be paid in the event our client indistinctly:

1. When Envelope 1 submitted at the public tender, does not comply with certifying the technical and financial requirements established in the declaration of interest of the Co-financed Unsolicited proposal called “Wastewater Treatment System from Lake Titicaca Basin;”
2. Has incurred in the cases described in Article 18 of Legislative Decree N° 1224;
3. Does not sign the corresponding the private investment promotion contract; or,
4. Does not submit a valid economic offer in the selection process, whichever the case.

Payment shall be made effective upon written request from the Executive Director of PROINVERSIÓN, or his representative, in our offices located at

To honor the present template of letter of guarantee in your favor a request from the Executive Director from Proinversion through notarial conduit will suffice, and any delay on our part in paying it will bear interest as follows; top LIBOR rate plus a 3 percent spread.



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Reuters cable received daily in Lima at 11:00 a.m. will establish LIBOR interest rate; interest shall be borne as of the date in which execution was demanded to the date in which payment was effected.

Our obligations under the Template of Letter of Guarantee herein shall not be affected by any dispute between you and our client.

The term of validity of this Letter of Guarantee will be.....and will start onuntil
.....

Sincerely yours,

Signature.....

Name

Bank.....

Note: The template of letter of guarantee may be issued in the bank’s own format, as long as, it includes all aforementioned conditions.



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ANNEX 3 FIRMS AUTHORIZED TO ISSUE GUARANTEES

The Private Investment Promotion Agency – Proinversión, will accept template of letters of guarantee issued by:

- a) National Banks authorized to issue template of letters of guarantee with the following ratings:
- Financial strength: A
 - Short term instruments: Minimum rate CP-1, Category-1, CLA-1 or EQL-1.
 - Long term instruments: AA

The aforementioned ratings must in effect at the time the letters of credit are submitted. Ratings must have been given by at least two credit rating agencies renowned and accredited in Peru.

- b) National insurance companies authorized by the Banking and Insurance Superintendence to issue template of letters of guarantee and that at the time of issuing them have at least an “A” credit rating for financial strength.
- c) First-rate financial entities, whose relation is approved by Banco Central de Reserva by Official Letter N° 022-2016-BCRP or that which modifies or substitutes it.
- d) Any international financial entity with investment grade assessed by an entity with renowned international prestige and authorized to give international ratings.
- e) Any multilateral credit institution of which the State of the Republic of Peru is member.

It should be noted that some of the national Banks mentioned in preceding paragraph a) must confirm the guarantees from first-rate foreign and international financial entities.