

INTERNATIONAL PUBLIC COMPETITION BASIS
No. 002-2020-BFBJ-MTOP



JANUARY-2021



"DESIGN, FINANCING, REHABILITATION, EXTENSION TO 4 LANES, CONSTRUCTION, OPERATION AND MAINTENANCE OF THE ROAD CORRIDOR GOOD FAITH -BABAHOYO - JUJAN"

Call

On 18 December 2020, the Ministry of Transport and Public Works and the Provincial Decentralized Self-Government of Los Ríos signed an agreement to develop prior and pre-contractual actions, studies, analysis, administrative-financial, technical and legal; as well as the preparation of the specifications or terms of reference; and to complete the pre-contractual phase until the award of the project for the "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe – Babahoyo - Jujan".

The Ministry of Transport and Public Works of Ecuador and the Provincial Decentralized Autonomous Government of Los Ríos, convene natural or legal persons, national or foreign, associations, consortia or commitments thereof, legally able to contract, to participate in the International Public Competition for the selection of the most favorable offer for the Ecuadorian State and its subsequent Award, for the implementation of the **Project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the Road Corridor Buena Fe – Babahoyo - Jujan"**, the total reference investment for the project is **USD 682.84 MM**, divided into infrastructure investments, CAPEX: **USD. \$262.23** and, operating and maintenance costs, OPEX: **USD. \$420.61 MM**; with a project concession period of 30 years, counted from the signing of the contract.

General Conditions:

The International Public Competition will be subject to the current regulations, under the management regime delegated in the modality of concession, in accordance with Ecuadorian legislation.

The Fold, Initiation Resolution, Call and other documents necessary for the implementation of the Project will be published on the website of the Ministry of Transport and Public Works www.obraspublicas.gob.ec.

Interested parties may ask questions to email.buenafejujan@mtop.gob.ec, which will be acquitted by the Technical Commission; and, if applicable, the necessary clarifications shall be made in accordance with the time limit set out in the Schedule of the International Public Competition, which forms part of this Fold.

The complete Offer will be physically presented at the Ministry of Transport and Public Works, located at Juan León Mera N26-220 and Avenida Francisco de Orellana, HQ Building floor 15, General Coordination of Legal Advice, Quito – Ecuador, ZIP Code 170522, until 17:00 within the period indicated in the schedule of this International Public Competition, accompanied by the guarantee of seriousness of the offer for an



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amount equivalent to USD 1'500,000.00 (One million five hundred thousand dollars United States of America).

The evaluation of the Bids shall be carried out by applying the qualification parameters provided for in the Fold.

The estimated date of award shall be as indicated on the schedule of the International Public Competition.

The Ministry of Transport and Public Works and the Provincial Decentralized Autonomous Government of Los Ríos reserve the right to cancel or declare desert the procedure of this International Public Competition, a situation that will not give rise to any claim or compensation.

Quito, 06 January 2021.



Mgs. Gabriel Martínez Castro
MINISTER OF TRANSPORT AND PUBLIC WORKS

Chapter One: Administrative Bases

Section I: General Information

1. Object of the Fold

The Purpose of the Fold is to establish the specific procedure for the International Public Competition, within the legal framework applicable to delegation to the private sector in the modality of granting. Therefore, this instrument (the "Pliego"), will contain the set of administrative bases, techniques, economic and financial of the Competition, expressed through the requirements, terms, conditions, limitations and more bases for the selection, award and subsequent signing of the Contract with the private company that will assume the rights and obligations related to the execution of the Project called DESIGN, FINANCING, REHABILITATION, EXPANSION TO 4 CARRILES, CONSTRUCTION, OPERATION AND MAINTENANCE OF THE VIAL CORREDOR BUENA FE -BABAHOYO – JUJAN.

Background and legal framework

1.1. Background

The National Government, with the aim of precautionary investments in road infrastructure, reducing pressure on the central government budget, promoting private



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investment, improving the provision of complementary road services, ensuring safe services to users and contributing to the country's social and economic development, implements the sustainable management model for the investment and maintenance of the State Road Network. This model provides for private participation, under different delegation modalities, in projects that require significant investment.

The aforementioned management model envisages delegating about 25% of the RVE State Road Network until 2021; 17% of RVE is currently delegated to the public and private sectors.

The road "BUENA FE-BABAHOYO-JUJAN" is covered in the portfolio of projects that are part of the sustainable management model for delegation to the private sector, as one of the strategic axes that must have conditions of adequate performance, considering the benefits that this road presents.

By Executive Decree 541 of October 23, 2018, delegation to the private initiative of the Projects was exceptionally authorized "(...) design, financing, rehabilitation, extension to 4 lanes, construction, operation and maintenance of the corridor vial: "Good Faith – Babahoyo - Jujan "

On 22 March 2020, in accordance with Article 12 of Ministerial Agreement No. 038-2019, of November 11, 2019, corresponding to the Regulations for the Substance of Procedures of Management of the Ministry of Transport and Public Works, the Prefecture of Los Ríos, through the provincial public road company of Los Ríos EMVIALRIOS E.P., through Oficio No. 001-3-2020, presented a statement of interest to implement the project "Design, Financing, Rehabilitation, Extension to 4 Lanes, Construction, Operation and Maintenance of the Buena Fe – Babahoyo – Jujan road corridor ", which would be implemented under an associative mechanism provided for in Ecuadorian legislation, in conjunction with CRCC International Investment Group CO. LTD, and China Railway 14th Bureau Group CO.,LTD.

On June 26, 2020, through Oficio No. 0001-06-2020, Los Ríos Prefecture in conjunction with CRCC INTERNATIONAL INVESTMENT GROUP CO. LTD and CHINA RAILWAY 14TH BUREAU GROUP CO.,LTD., submitted the proposal for a Public Initiative for the "Design, Financing, Construction, Operation and Maintenance of the Buena Fe- Babahoyo- Jujan Road; includes Jujan's side step, in accordance with Article 13 of the MTOP Ministerial Agreement.

On July 15, 2020, with Oficio Noro. MTOP-DVGT-20-142-OF, in accordance with Article 15 of Ministerial Agreement No. 038-2019 of the MTOP, interested parties were notified that this State Portfolio classified in the public interest the project submitted in order to continue the relevant process.



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Con trade No. MTOP-DVGT-20-144-OF of 31 July 2020, the Ministry of Transport and Public Works, forwarded a scope to the Public Interest Declaratory Office to the public proponent, specifying the documents to be submitted (Consortium promise, IP content, and CAPEX guarantee for faithful process compliance and valid bid submission).

The two Chinese companies submitted the Public Initiative to the MTOP, in accordance with Article 15 of the MTOP Ministerial Agreement No. 038-2019 on August 29 2020,.

With Nro. MTOP-SDSTOP-2020-316-ME of 01 October forwarded to the General Coordination of Legal Advice the technical and economic - financial evaluation reports of the project "Good Faith - Babahoyo - Jujan" and the issuance of the legal evaluation report was requested.

This State Portfolio was conducting a process of delegation to a public initiative submitted by companies of the international community under Article 100 of the Organic Code of Production, Trade and Investment (COPCI).

In workshops between the Ministry of Transport and Public Works and, public proponents reviewed the components of the public initiative project, determining that the proposal should be supplemented mainly in its technical part, with breakdowns and schedules of CAPEX and OPEX investments; and, as far as the financial side is accounted for, adjustments were made to the premises of inflation, financing rate, WACC and project revenue, among others,

With Oficio Nro.MTOP-DVSTOP-20-167-OF of 19 November 2020, the Ministry of Transport and Public Works notified public proponents that the initiative presented is not suitable for the interests of the Ecuadorian State as it poses a high risk to the state contribution to the project; in this regard, it cannot be continued in the process for its award.

In addition, he noted: "It is reported that this State Portfolio will launch a new delegation process through an International Public Competition that allows the participation of *national and international public and private companies in order to find better conditions for the development of the project.*"

With Memorandum No. MTOP-DNEPFD-2020-36-ME of 19 November 2020, the Directorate of Pre-Invoicing Studies of Delegations requested the Directorate of Transport Infrastructure Studies to submit up-to-date traffic information and projections in the "Good Faith – Babahoyo – Jujan" road corridor.

With Memorandum No. MTOP-DNEIT-2020-623-ME of 23 November 2020, the Directorate for Transport Infrastructure Studies sent Memorandum No. MTOP-GAE-



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2020-256-ME, 23 November 2020 with traffic information and projections from the "Good Faith – Babahoyo – Jujan" road corridor.

With Memorandum No. MTOP-SDSTOP-2020-395-ME of 25 November 2020 sent the Undersecretariat of Delegations and Concessions to the General Coordination of Legal Advice updating the technical and economic and financial evaluation reports of the "Good Faith – Babahoyo – Jujan" project and requested to issue the update of the project's legal evaluation report.

With Memorandum No. MTOP-CGJ-2020-1020-ME of 26 November 2020, the General Coordination of Legal Advice, issued to the Under-Secretary of Delegations and Concessions the legal evaluation report of the project "Good Faith – Babahoyo – Jujan".

Con Memorandum No. MTOP-SDSTOP-2020-399-ME, of 26 November 2020, the Undersecretariat for Transport Delegations and Concessions, forwarded to the Office of Vice-Ministry of Transport Management the draft specifications, annexes and contract of that project in order to continue with the relevant process.

Mediante Oficio GLR-JETS-2020-723-OF of 01 December 2020, the Provincial Government of Los Ríos requested the Ministry of Transport and Public Works to sign an Interinstitutional Cooperation Convention to jointly carry out the maintenance of the E 25, road Buena Fe -Babahoyo - Jujan.

Mediante Oficio NRO GLR-JETS-2020-724-OF of 01 December 2020, the Provincial Government of Los Ríos requested the Ministry of Transport and Public Works to sign an Interinstitutional Cooperation Convention to form a multidisciplinary technical team, legal and economic-financial, in order to develop the actions, studies, analysis, administrative-financial, technical and legal prior and pre-contractual; as well as the elaboration of the specifications or terms of reference; and to substance the pre-contractual phase until the award of the project for the "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe-Babahoyo-Jujan"

The Ministry of Transport and Public Works and the Provincial Decentralized Self-Government of Los Ríos signed on 15 and 18 December 2020 two interinstitutional agreements related to: (a) to jointly carry out the maintenance of the E 25 road, Buena Fe - Babahoyo - Jujan."; and , b) develop prior and pre-contractual actions, studies, analyses, administrative-financial, technical and legal; as well as the preparation of the specifications or terms of reference; and to complete the pre-contractual phase until the award of the project for the "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the Buena Fe-Babahoyo-Jujan road corridor", respectively.



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Mediante Resolución No. 152-2020 of 21 December 2020, the Minister of Transport and Public Works decided to declare the feasibility of the project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the corridor vial Buena Fe – Babahoyo - Jujan", based on reports of technical, economic-financial and legal feasibility and approve the project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe – Babahoyo - Jujan", in accordance with the reports of technical, economic and financial feasibility.

Mediante Resolución No. 153- 2020 of 21 December 2020, the Deputy Minister of Transport Services and Public Works decided to CONFORM the Technical Commission responsible for carrying out the international public competition procedure of the project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the corridor vial Buena Fe – Babahoyo - Jujan" for delegation to the private sector, under the modality of concession, in all its phases and stages.

By Meeting Act No. 001 of 24 December 2020, the Technical Commission of the International Public Competition 002-2020-BFBJ-MTOP, revised the Fold and forwarded, together with all the documentation of the process, to the Deputy Minister of Transport services and public works, for the purpose of approving that specification; and, by Memorando No.002-MTOP-BFBJ-2020-ME, of 24 December 2020 recommended, that once the specifications have been approved and the annexes make the call for an International Public Competition for the selection of the Delegated Manager who will be in charge of the execution of the project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe – Babahoyo - Jujan".

By Resolución No. 001-2021 of 04 January 2021, the Deputy Minister of Transport services and public works decided: "Article 1.- **Authorize the start of the** International Public Competition, which aims to delegate to the private sector the project "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the Road Corridor Buena Fe – Babahoyo - Jujan". **Article 2.-**To provide the Secretariat of the Technical Commission with the publication of this Resolution, the Fold, the Call, as well as the documents generated in this procurement process on the website of the Ministry of Transport and Public Works, www.obraspublicas.gob.ec. "

On the basis of the above, the MTOP substances this International Public Competition for the "Design, Financing, Rehabilitation, Extension to 4 Lanes, Construction, Operation and Maintenance of the Road Corridor Buena Fe – Babahoyo - Jujan" (the "Contest" or "International Public Competition").

1.2. Legal framework



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The International Public Competition shall be implemented under the delegated management regime, in the concession mode, in accordance with the following rules:

The second subparagraph of article 141 of the Constitution of the Republic provides that: *"the bodies of the Executive Function, including the Ministries of State, are responsible for complying, within their competence, with the powers of rectory, planning, implementation and evaluation of national public policies and plans that are created to implement them"*.

Article 154 of the Magna Carta provides that: *"Ministers and ministers of state, in addition to the powers laid down in the law, are responsible for: 1) Exercising the rectory of the public policies of the area in their care and issuing agreements, administrative decisions required by their management (...)"*.

Article 226(ibid) provides that: *"The institutions of the State, its bodies, units, public servants or servants and persons acting under a State power shall exercise only the powers and powers conferred on them by the Constitution and the Law. They shall have a duty to coordinate actions for the fulfillment of their purposes and to give effect to the enjoyment and exercise of the rights recognized in the constitution."*

Article 227 of the Constitution of the Republic of Ecuador provides that: *"the public administration is governed by the principles of effectiveness, efficiency, quality, hierarchy, deconcentration, decentralization, coordination, participation, planning, transparency and evaluation"*.

Article 314 ibid., provides that: *"the State shall be responsible for the provision of public drinking water and irrigation, sanitation, electricity, telecommunications, roads, port and airport infrastructures and others determined by law"*. According to this same article, *"the State shall ensure that public services and their provision meet the principles of obligation, generality, uniformity, efficiency, responsibility, universality, accessibility, regularity, continuity and quality, and shall provide that the prices and tariffs of public services are equitable, for which their control and regulation will be established"*.

Article 316 of the same regulatory body states that the State may delegate the management of public services to joint ventures in which it has a majority shareholding; and, the second subparagraph states that: *"the State may, exceptionally, delegate to private initiative and to the popular and solidarity economy the exercise of these activities, where established by law"*.

Article 5(h) of the Organic Code of Production, Trade and Investment determines that: *"the State shall promote logistical and infrastructure development, for which it will generate the conditions for promoting the efficiency of maritime, air and land transport, under a comprehensive approach and a multimodal operation"*.



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As provided for in Article 100 of the Organic Code of Production, Trade and Investment, "exceptionally duly decreed by the President of the Republic, where necessary and adequate to satisfy the public interest, collective or general, where technical or economic capacity is not available or where the demand for the service cannot be met by public or mixed undertakings, the State or its institutions may delegate to the private enterprise *to the popular and sound economy, the management of the strategic sectors and the provision of public services for electricity, road, port or airport infrastructure, rail and others. The provisions of the Constitution shall be ensured and it shall be ensured that the prices and tariffs for which services are equitable and that their control and regulation are established by state institutionalism. The modality of delegation may be that of concession, association, strategic alliance, or other contractual forms in accordance with the law, observing, for the selection of the delegate, the procedures of international public competition that determine the regulation, except in the case of State-owned enterprises of the countries that are part of the international community, in which case the delegation may be done directly*".

Article 74 of the Organic Administrative Code provides that: *"where necessary, exceptionally and reasonably, in order to satisfy the public interest, collectively or generally, where technical or economic capacity is not available or where the demand for the service cannot be met by public or mixed enterprises with a public majority, the State or its institutions may delegate to subjects of private law, the management of the strategic sectors and the provision of public services, without prejudice to the rules laid down in the respective law of the sector.*

The third subparagraph of the same articulation determines that: *"the management delegated by administrative authorization is always precarious and in no case will generate exclusive rights for the manager"*.

In accordance with Article 75 of the same legal body: *"delegated management shall be linked to the implementation of a project of specific public interest, technically, economically and legally assessed by the competent administration. The project will define the risks that are transferred to the private law manager and those withheld by the competent administration, so that the project can be viable."*

Article 76 of the Organic Administrative Code provides that: *"The management delegated by contract shall be subject to the following rules: (1) The selection of the private law manager shall be carried out by means of a public tender process. (2) For the selection of the private law manager, the competent administration shall formulate the specifications of administrative, technical and economic bases and the contractual terms governing the procedure and the relationship between the administration and the manager. (3) Contracts for the management delegated to subjects of private law shall be formulated in accordance with international best practices and safeguarding the general interest. Management can develop contract models that can be used as a basis*



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for actions of a similar nature. (4) The exercise of exorbitant powers of the administration shall be subject to the general regime on administrative contracts. (5) The terms of co-sharing of the administration and the subject of private law shall be expressly determined."

Article 77 of that code provides that: *"Where management relates to strategic sectors or public services, public participation shall be in harmony with the constitutional regime in this area. Where the special law has not determined exceptionality in a general way, it is for the President of the Republic, that classification (...)"*.

Article 14 of the Organic Law of the National Land Transport Road Infrastructure System stipulates *"The rectory and definition of the public policy of road transport infrastructure and all road services corresponds to the ministry exercising road competition"*.

Article 15 also lays down the powers and duties of the governing ministry, and in numeral 6 states: *"Delegating to joint economy enterprises in which the State has a majority shareholding, the power to provide the public road service, which may include the design, construction, operation or maintenance of road infrastructure. Exceptionally, it may delegate to the private sector or to the popular and solidarity economy in accordance with the law."*

Article 15(8) establishes as the duty of the Ministry of Transport and Public Works: *"To fix, collect or authorize the collection of road fees and fees, for the financing, use and comprehensive maintenance of the infrastructure of the State road network, its functional components and the areas of ancillary and complementary services; for this purpose, the general basis for the regulation of applicable tariffs shall be established."*

Executive Decree No. July 810, 2011, published in the Official Register No. 494 of 19 July 2011, which contains the Regulations implementing the Exceptional Regime for the Delegation of Public Transport Services, establishes the procedure to be followed so that the State, through its institutions and within the scope of its competences, can delegate to private companies or the popular and solidarity economy the power to provide and manage in a comprehensive manner the following public services in the transport sector. Article 1 states: *"(1) Services provided through port, airport, water, railway and access infrastructures and facilities; related logistics services; expansion, rehabilitation, improvement and conservation, as well as operational technical management of road infrastructures, and related and complementary services, provided through occupation and usufruct of pre-existing state goods, infrastructures and facilities; and, 2) The services described in the previous numeral, when the infrastructure, facilities and equipment are to be built, developed or supplied by the delegated company, on goods, facilities and state-owned rights."*



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In accordance with Article 2 of that regulation, *"the delegation should proceed where, among other reasons, the need or desirability of satisfying the public, collective or general interest is demonstrated by the modernization and development of infrastructure for the provision and/or comprehensive management of transport and logistics services"*.

Article 5 of that regulation provides that: *"the concession is a form of delegation by the State, which aims to transfer the power to provide and manage comprehensively a service to private initiative or to the popular and solidarity economy, under a scheme, of regulated exclusivity, through planning, operational technical management, financing, construction, expansion, rehabilitation, improvement or conservation of pre-existing state infrastructures, facilities and equipment"*.

Ministerial Agreement No. 038-2019, 11 November 2019, the Minister of Transport and Public Works issued the "Regulation for the Substance of Management Procedures of the Ministry of Transport and Public Works", which in Article 1 thereto states: *"Object.- The purpose of this Regulation is to determine the institutional guidelines for the substance of the procedures for Delegation of Project Management to Entities of Private or Public Law carried out by the MTOP as a Delegate Entity"*.

Article 2 of that regulation determines the scope of application: *"This Regulation shall apply to all procedures for the Management of MTOP Competition Projects to Entities under Private and Public Law, under the modalities provided for in the Applicable Legal Regime."*

2. Definitions and Interpretation

2.1. Rules of Interpretation

For the purposes of interpreting and applying the terms, statements, conditions and other stipulations contained in this Fold and its Annexes, the following rules shall be met:

- a. To the extent that there is conflict between the terms of the main body of this Fold and those of its Annexes, the terms of the main body of this Fold shall prevail in all matters relating to the Contest process. Once the contract is signed, it will prevail over all other documents in the process.
- b. Where the meaning of the terms and expressions used in the Fold is clear, its wording shall not be neglected, under the pretext of consulting its spirit.
- c. The terms and expressions used shall be interpreted in their natural and obvious sense, unless they have been assigned another meaning in the Fold.
- d. Annexes and references are an integral part of the Fold.



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- e. The Annexes shall contain administrative, technical, economic and legal documents of the Competition. In the event of conflict or confusion between the Folds and the Annexes, the Folds shall prevail.
- f. All references made to any rule, act or contract shall be construed as being made to the respective rule, act or contract with all its reforms and in its last version in force, unless expressly stated otherwise in this Fold.
- g. Except where otherwise required by context, references, chapters, sections, herepites, numerals, or literals are references made to the chapters, sections, locations, numerals, or literals of this Fold.
- h. The references made to the Management Company include their successors, surrogates and permitted assigns.
- i. Words that only indicate the singular will also include the plural, and vice versa, as required by the context.
- j. All time limits set in months or years, without any additional indication, shall be calculated from the day following the reference date to the same day of the month or the year corresponding to the reference date according to the period granted.
- k. For any case of expiration of a verified period on a non-business day, it will be taken as an expiration day on the next immediate business day.
- l. References to hours correspond to the official time of Ecuador and business hours.

2.2. Definitions

For the proper understanding and definition of the terms used herein, the following definitions that are sorted alphabetically and may be used interchangeably in singular or plural, male or female, as required by the context shall be considered:

Clarification

An indication issued by the Technical Commission through the respective Act, in order to adjust errors, omissions or inconsistencies in general of the content of this Fold, without being altered in its substantive aspects in the Commission's view.

Clarification requested from bidders

Request from the Technical Commission, within the stage of review of eligibility requirements, for the requirements or expansion of the content of the offer or to correct errors in a way, depending on the requirements, requirements, terms, conditions, limitations and more bases contained in this Fold. Clarification does not fit in cases where the document that is part of the requirement has not been submitted and has therefore not been included in the offer.



Clarification for Modification of substantive aspects of the Fold

Indication issued by the Technical Commission upon authorization by the highest authority at the request of a party or on its own initiative to adjust errors, omissions, inconsistencies of the Fold, when, in the opinion of the Technical Commission, the adjustment may affect some substantive aspect of the Fold, it shall issue the corresponding Act and publish it on the MTOP web portal for the knowledge of bidders or applicants.

Minutes

Instrument issued by the Technical Commission within the substance of the process of the public management delegation competition, in which substantive aspects of the Fold, its documents and/or the Process itself are issued.

Negotiating Act

Instrument by which the willingness of the parties on agreements or the impossibility of reaching them in the Negotiation Phase is recorded.

Proceedings for Responses and Clarifications

Instrument by means of which, within the corresponding stage, the questions or request for clarifications made by the Bidders are addressed.

Act of Authority

It is the act or administrative act issued or executed by a Competent Authority, in the exercise of its constitutional and/or legal powers.

Related Agreements

They are transactions, businesses, commitments, acts and contracts made by the Management Company with third parties, for the fulfillment of its obligations under the Contract, including those of a technical or financial order, whether these before or after the subscription of the Contract.

Award or Award Resolution

It is the administrative act by which the best-assessed Offeror is granted the right to enter into the Contract.

Adjudication

It is the Private Law Entity to which the Delegate Entity awards the Contract.

Contract Administrator

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It is the public servant designated by the highest authority of the Delegated Entity, responsible for demanding full and timely compliance with each and every obligation arising from the Contract. It shall take such actions as may be necessary to avoid unjustified delays or non-compliance and shall impose any fines and penalties to which it occurs.

Road Expansion

It corresponds to the increase of 2 or more traffic lanes to an existing Class I road in accordance with the 2003 Geometric Road Design Standards of the Ministry of Transport and Public Works, in order to increase its road capacity and level of service.

Annex

They are all technical, economic – financial and legal documents annexed to this Fold.

Draft

In accordance with the general specifications for the construction of roads and bridges MOP-001-f 2002 in force, it is the set of plans and documents resulting from preliminary work and sufficient to define the main characteristics of a work. The Preliminary Draft, because of its character, is neither enough nor allows you to execute the work.

Competent Authority

It means any entity, body or subject endowed with public, regulatory, administrative or judicial powers, which, in any way and in any matter, intervenes or may intervene in order for a person to be permitted, restricted or prohibited from performing the acts that are the subject of the Contract.

Abscisa

It is a physical point referencing a project that allows you to mark the distance between the origin and the required point. The beginning and end of: roads, sections or sub-courses should be considered: geographical points, geometric points or relevant civil works, which are permanent or long-term points; because the object is easily identifiable over time or georeferenced points.

Delegation's assets

They are all goods, furniture or real estate, or rights, real or personal, that the Delegate receives, acquires and/or executes for any title during the term of the Contract, including pre-existing Works, New Works and Pre-Existing Equipment and the one incorporated.

Technical Commission or Commission



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It is the body formed and appointed by the Minister or his delegate to carry out the conduct of the process of the public management delegation competition.

Partnership or Consortium Commitment

They are those interested in participating in this International Public Competition that may be associated between natural persons and/or legal persons, both domestic and foreign, with the criterion of complementarity of resources, capacities, experience, etc., thus agreeing that each part of the commitment concentrates its intervention in the areas in which the most added value can contribute, in relation to what others do; and, once awarded, they will have to conform legally.

International Public Tender

It is the competitive procedure for selecting a private law undertaking as a Delegate of the powers conferred on MTOP, based on the evaluation procedures and criteria detailed in the Fold.

Road Concession

It is the modality of delegation to the private sector granted by the Delegated Entity in favor of a Private Law Entity, to carry out one or more activities that make up the road sector, carrying out the design, construction, financing, maintenance and operation, assuming the risks that are transferred to it according to the contract.

Offering Consortium or Association:

Set of natural or legal persons, national and/or foreign, who are presented to the International Public Competition by submitting a single Offer, for whose purpose the responsibility of each of them is indivisible and supportive, in fulfilling the obligations arising from this Fold and the Contract, in the event that it becomes Adjudicatario.

Delegation or Concession Contract

It is the instrument that, based on the terms of the Fold and the Offer, must be subscribed between the Delegated Entity and the Private Law Entity to determine its bilateral relationship and the implementation of the Project, this being the law for the parties.

Contract for the Constitution of the Trade Trust

It is the contract by which the Management Company transfers the resources of the project to an autonomous heritage, endowed with legal personality so that the company managing funds and trusts fulfills the specific purposes set up in that instrument.

Audit and Oversight Contract



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They are the instruments concluded by the Management Company, with the auditing company and/or the company responsible for the supervision of the Delegation, prior to the selection process of the Delegate Entity.

Call

Act of public appeal by means of which the Delegate Entity convenes by Public Competition Private Law Entities to participate in a procedure of International Public Competition modality of Concession.

Contest Timeline

Document establishing the stages of the Public Competition with their respective times.

Delegate or Management Society.

It refers to the private law entity responsible for the development and implementation of the project.

Management or Concession Delegation

It is a modality of delegation by the State via administrative contract, which aims to transfer the power to provide and manage comprehensively a public service to the private initiative, under a regulated exclusivity scheme, through planning, operational technical management, financing, construction, expansion, rehabilitation, improvement or conservation of pre-existing state infrastructures, facilities and equipment.

Right of way

It is the permanent and mandatory sash of land for construction, maintenance, security services, complementary services, landscape development and future expansions of the tracks, determined by the competent authority.

Business days

Period of working days.

Calendar Days

It refers to every day running, including weekends and holidays.

Transaction Documents

It corresponds to all documentation of the process.

MTOP address



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It is located at Calle Juan León Mera N26-220 and Avenida Francisco de Orellana, Zip Code: 170522, Metropolitan District of Quito, specifically the 15th floor and the offices of the Legal Coordination, for the purposes of this process.

Equipment

They are all movable goods delivered and/or acquired by the Management Company and installed in the road corridor.

Related Companies

Related companies shall be undertakings which are part of the same economic group of the offering company; including, its controlled companies (directly or indirectly), its controlling companies and subsidiaries, its parent companies or its companies controlled by its parent companies.

Private Law Entity, Offering

Person of private, legal or natural law, national or foreign, consortium or consortium commitment, which submits an offer with the intention of establishing itself as Delegate or Concessionaire in the Management of the project in competition that fall within the scope of the competences conferred on the MTOP.

Delegated Entity, Granter or MTOP

It is the Ministry of Transport and Public Works (MTOP) or public entity that in the future replaces it or is the holder of the competition under which the Contract is concluded.

Definitive Technical Studies

They are the engineering projects and specialties, of the works of the project, which correspond to the development of detail of the Technical Proposal of the Offer that has been awarded and comprising sufficient and necessary documentation for the correct execution of all the Works in accordance with the Applicable Legal Regime and the state of the art. Includes the Operation and Maintenance Plan to be used during the Operation and Maintenance Period.

MTOP Specifications

It corresponds to the General Specifications for the Construction of Roads and Bridges of the MTOP, with its complements and / or modifications, MOP-001-F 2002, or those in force to date.

Financing

Set of activities aimed at obtaining the necessary income to meet the total egress and costs required for the execution of the Project, including Works, Operation Equipment and Maintenance.



Financier

It is a financial institution, bank or investment funds accredited to provide financing, duly authorized by the competent regulatory authority.

Auditing and Supervision

Set of activities aimed at ensuring the correct execution of the Project, by monitoring compliance with the terms, declarations, conditions and more stipulations provided for in the Contract and all transaction documents.

Private Manager, Delegate, Delegate or Management or Management Society

It is the Private Law Entity constituted under Ecuadorian law, whose sole purpose is the execution of the Project under the terms of the Contract, which is formed by the Award of the Competition according to the requirements for this.

Legal Enabling

It constitutes the authorization, permit, concession, or any other act, contract or administrative instrument, in respect of all and any matter, with which the Competent Authority consents, authorizes or allows a person, natural or legal, to carry out the activities related to the Project.

Challenge

Opposition mechanism raised by a valid Bidder within the Competition in connection with the Bidder Qualification Report, Technical Qualification Report and Final Review Report and once they are formally notified. No challenges or statements of non-conformance or opposition to acts, decisions, requests, assessments or requirements other than such Reports may be challenged or challenged.

Quality Indicators

They are the parameters defined and set objectively so that different elements of the road network and activities carried out there can satisfy the optimal conditions of road and service during the duration of a Concession Contract.

For each indicator, measurement frequencies and thresholds must be met over the duration of the Concession, which, if not satisfied, must be taken before the maximum period of action defined in the indicator itself expires. In case of non-compliance, the fine or penalty provided for in the Contract shall apply.

Service Indexes

Service indices are indicators that qualify and quantify the state of service of a track, and are typically used as permissible limits to which its surface, functional, structural and

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safety condition can evolve. The indicators are unique to each route and vary according to technical and economic factors within a general scheme of user satisfaction (comfort, opportunity, security and economy) and profitability of available resources.

Investments Needed

They are those required for the performance of the subject matter of the Contract.

Periodic Maintenance (MP)

Periodic road maintenance service refers to actions that are occasionally required on a road and its related elements and can, to some extent, be scheduled in advance, because they are more far-reaching work required on a cyclical basis and that their fundamental objective is to establish initial characteristics that the track had, and that were lost by agents such as: rain, traffic action, among others; complying with the quality indicators established for the project and which are generally focused on the following chapters: Pavement, Signaling and Road Safety, Drainage, Structures, Slopes and containment works, among others.

Routine Maintenance

The routine maintenance service of the State Road Network aims to obtain an optimal level of road conservation, which includes the regulation of activities and services such as: asphalt bacheo, vegetation control, cleaning of sides and benches, cleaning of roads and espaldons, longitudinal and transverse drainage cleaning, cleaning of collapses, cleaning of vertical signage and beaconing, cleaning of road guards, monitoring and control, among others; complying with the quality indicators established for the project.

Road Maintenance

It is a set of routine and periodic activities that are carried out to the various elements that make up the road (pavement, drainage, structures, signage, slopes, etc.), in order to maintain or preserve such elements and provide acceptable operability over time, through levels or service indicators proposed by the entity or contracting company.

Minister

It is the MTOP's highest institutional authority.

Offer

It is the document submitted in the framework of the international public competition procedures modality concession in accordance with the technical, economic – financial and legal terms and conditions set out in this Fold, through the corresponding envelopes set out in this specification.



Qualified Offers

They are those that comply with the terms and conditions set out in this specification with respect to the eligibility requirements, technical and economic offer and move on to the next stage corresponding to the **negotiation**.

Enabled Offers

They are those that meet the minimum requirements to be valued in each of the phases, established within the evaluation and qualification stage of offers.

Operation

It includes, within the framework of the Applicable Legal Regime and the Contract: (i) the use of the Works and Equipment carried out in the context of the Contract; (ii) the use of pre-existing works in the project; (iii) the provision of the Services, (iv) the collection and arrangement of project services; (v) exploitation of the project.

Order of Variation

Requirement of the Delegated Entity to expand or include unforeseen works that do not constitute design failures or services attributable to the Management Company.

Construction Period

It shall elaps between the day following the date of signature of the administrator's report, enproving the beginning of the construction period, within a period of implementation in accordance with the bases of the tender specifications of forty-two (42) months and, after approval of definitive studies by the Contract Administrator.

Settlement period

It is the one that elapses, as the case may be: (i) Between the expiration date of the Ordinary Term (and, where appropriate, its extensions) and the last day of the sixth month from the expiration date of the Ordinary Term (and, where appropriate, its extensions); or, (ii) Between the date on which a Notice of Termination has been made and the last day of the sixth month from the date of that Notice of Termination.

Operation and Maintenance Period

It is the one that takes place: (i) With respect to pre-existing Works, from physical taking until the expiration date of the Ordinary Term; and, (ii) With respect to construction from the date of issuance of each Certificate of Work completed until the expiration date of the Ordinary Period.

Organizational Period

It runs from the date of subscription of the Contract until the date on which compliance with the conditions for the com/start of the Construction Works has been recorded by

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the Contract Administrator. The deadline for the organization phase is within the initial timeframe of CAPEX. At this stage the Private Manager will prepare the final studies for approval.

Road Maintenance Plan

It is the set of activities that make up the tasks of conservation, maintenance and operation of the road section in concession, with an investment aimed at maintaining the road, during all the years of concession, in a situation suitable for its operation offering the level of quality of service provided for in the Contract.

Financial Economic Plan

It corresponds to the financial economic modelling of the project during the total period of the delegated management contract.

Planning and Design

It refers to the studies and planning of the works in accordance with the scope of the project.

Ordinary Delegation Term

Ordinary period established in the delegated management contract and its extensions if given.

Spread

Set of administrative, economic, financial, technical and legal bases, which determine and regulate the procedure and requirements, requirements, terms, limitations and more documents necessary for the selection, negotiation, award and subsequent contracting of a Private Law Entity interested in assuming the rights and obligations related to the execution of the Project.

Technical Proposal for the Offer

They are the technical documents, plans, engineering specialties presented by the minimum offeror at the pre-project level of the project works according to the technical scope defined by the Delegate Entity for both the construction stage, as well as the maintenance stage for the fulfillment of the quality indicators defined in the project.

Draft Contract

It is the document containing the contractual conditions that forms part of the documents annexed to this Fold, some of the conditions may be modified at the negotiating stage, prior to the award, in order to obtain the final document to be subscribed and will govern the full period of the concession.



Applicable Legal Regime

It is the Ecuadorian legal order and refers to all laws, regulations, decrees and in general, any regulatory body binding on the parties during all stages of the substance of the Management Delegation procedure at all stages and phases.

Remuneration of the Management Society

These are the income to which the Management Company is entitled, for its investment and work in accordance with the Contract.

Optional Services

The additional services for the benefit of the Users, useful and necessary, that the Management Company, may provide with prior authorization of the Delegated Entity.

Mandatory Services

They are formed by the Basic Services, related to compliance with service rates and Complementary Services: medical, mechanical, communication, insurance against third parties.

MTOP website

It corresponds to the website of the Ministry of Transport and Public works www.obraspublicas.gob.ec.

Toll Fee

It is the monetary value that users of the route will have to pay for the services provided, based on the forecasts of the Fold and the Awarded Offer and their respective adjustments as provided in the Contract.

Early Termination

It refers to the cases in which the Contract terminates prior to the expiration of the Ordinary Term, in accordance with the Termination of Contract clause.

User

Direct beneficiary of the provision of the service.

New Vía:

It corresponds to the construction of a road of 2 or more traffic lanes with minimum geometric conditions to a Class I, in accordance with the 2003 Geometric Road Design Standards of the Ministry of Transport and Public Works, from its initial opening on

natural land with the movement of land to the final culmination with all the elements that make up the road, that is, construction of a road in natural areas where there is no infrastructure of existing roads or roads.

3. Spread

Participation in the International Public Competition Process subject to this Fold implies unconditional and comprehensive acceptance of all its terms, conditions, obligations and requirements, by the Offerer, and, consequently, such participation will include the express declaration that it fully knows and accepts its legal effects and scopes.

The Bidder and the Awarde, where applicable, undertake to comply with this instrument, as well as the terms of the Annexes to the Fold and the other documents that are an integral part of the International Public Competition Fold.

The Fold, its annexes and other documents derived from the execution of the International Public Competition, in turn, will become an integral part of the Contract, as enabling them, among others of rigor.

3.1. Documents and information

3.1.1. Documents of the Fold

The following documents are part of this Fold:

- a. Call;
- b. Administrative, technical, economic – financial and legal annexes, forms, formats and others;
- c. Draft Contract and its annexes;
- d. The Minutes issued during the Competition by the Technical Commission and published on the MTOP website or notified to bidders.

3.1.2. Mandatory information and documents

Bidders shall provide all documentation requested in this Specification, as well as that necessary to support the information provided.

3.2. Information and documents

- a. The information provided by MTOP with this Fold is reference information, which Bidders may use, at their absolute risk, to prepare their Offerings. The MTOP as a Delegate Entity assumes no responsibility for its accuracy, accuracy, correction or updating.

- b. The information provided by MTOP will be published through the Institutional Website. www.obraspublicas.gob.ec.

3.3. Modification and Clarification to the Fold

- a. During the stage in the Timeline of this Fold for questions, answers and clarifications; MTOP will issue the relevant Response and Clarification Acts;
- b. The Acts of Responses and Clarifications shall be issued by the Technical Commission;
- c. The Proceedings of Responses and Clarifications shall be published on the MTOP website www.obraspublicas.gob.ec;
- d. Of all the acts of communication to the Bidders, the secretary of the Technical Commission shall record in the file the corresponding reason; and,
- e. It is the responsibility of the Bidders to permanently consult the MTOP Website, to verify the issuance of the minutes, so the disrecognition of one of them does not exempt the Bidders from complying with the requirements, requirements, terms, conditions, limitations provided for in this Modified Specification as described herein.

4. The Project

4.1. Project Description and Location

The project is located in the part in the provinces of Los Ríos and Guayas, forming part of the state road axis E25, the stretch between the cities of Buena Fe- Babahoyo-Jujan.

MTOP has decided to implement the Buena Fe- Babahoyo-Jujan highway, as part of the main road network of the Provinces of Los Ríos and Guayas, improving connectivity in these provinces and boosting the economic and tourism growth of the sector.

It starts in the sector known as Cuatro Mangas of the canton Buena Fe (abscissa 00+000), the completion of the Project is in the population of Jujan (abscissae 131+750) approximately.

The road between Buena Fe and Jujan corresponds to a road with a length approximately 128 km, crosses a flat to mountain topography and is part of the longitudinal axis E-25.

The total length of the project is approximately 131.75 Km.

The project involves the Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the Buena Fe- Babahoyo-Jujan road corridor.

4.2. Project Coordinates

The project begins in the sector known as Cuatro Mangas del canton Buena Fe, according to the following UTM coordinates, Datum WGS-84:

- North: 9 896 212.24
- East: 668 431.19

The Completion of the Project is in the town of Jujan, at the coordinates UTM, Datum WGS-84:

- North: 9 788 403.16
- East: 659 522.43

**Picture No. 1
Project Coordinates**

Location	Abscisa	Coordinates	
		North	This
Good Faith	0+000	9 896 212.24	668 431.19
Jujan	131+750	9 788 403.16	659 522.43

4.3. Project Object

4.3.1.Object

The Ministry of Transport and Public Works aims to delegate to the private sector the execution of the project *is the "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe- Babahoyo - Jujan"*.

4.3.2.Project Components

The Project *"Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the Buena Fe- Babahoyo - Jujan road corridor"* with an approximate referencing length of 131.75 km includes the following components:

- a. Financing of Works, Equipment, Operation and Maintenance; and, in general, for the implementation of the Project (the "Financing")
- b. Design and planning refers to the studies and planning of works in accordance with the scope of the project (the "Design and Planning");



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- c. The construction of the works as detailed in this Fold and its Technical Annexes (the "Construction") at the risk of the offerer;
- d. The operation and use of pre-existing infrastructures and facilities on the road resulting from the execution of the Works and their Equipment, necessary for the provision of the service(the"Operation");
- e. The maintenance and preservation of the Works and in general the Project Goods, during the term of the Contract (the"Maintenance"); and,
- f. The restitution of the infrastructure built and in general the goods and equipment of the project to the MTOP, at the end of the contract (the "Reversal of the Delegation").

4.4. Deadline, project implementation periods and their description

The ordinary period of the concession is thirty (30) years.

4.4.1. Project implementation periods

Without prejudice to those periods established by Contract, for the fulfillment of the obligations under the Private Manager, the ordinary period of thirty (30) years is distributed over the following periods:

- a. Organizational Period;
- b. Construction Period;
- c. Operation and Maintenance Period; And
- d. Settlement and Reversal Period.

4.4.2. Description of project implementation periods

- a. **Organization Period: Period between the date of subscription of the Contract until the date on which** compliance with the conditions for the com/startof the Construction Works has beenrecorded by the Contract Administrator. The term of the organization phase will be 180 extendable days, which is within the initial period of CAPEX. At this stage the Private Manager will prepare the final studies for approval.
- b. **Construction Period:** It will elaps between the day following the date of signature of the administrator's report, guaranteeing the beginning of the construction period, within a period of execution according to the bases of the tender specifications of forty-two (42) months and, after approval of definitive studies by the Contract Administrator.
- c. **Period of Operation and Maintenance :** It runs from the date of issuance of each Completed Certificate of Work until the expiration of theordinary

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period; and, for works for re-existing works, from the Physical Take to the expiration date of the ordinary period.

- d. **Settlement and Reversal Period: The subscription of the minutes of termination of the delegated management contract** shall include the fulfilment of all contractual obligations (technical and economic settlement) by the Management Company, which shall include the return of all goods affected by the public service to be transferred to the Ecuadorian State at no cost or exception, as set out in the Delegated Management Contract and by means of a Return Act.

5. Applicable Legal Regime

In line with the legal framework underpinned by this International Public Competition, cited in point 2.2 of Section I of this instrument, it is determined as an applicable legal regime, which, without limitation, is as follows:

- a. Constitution of the Republic of Ecuador;
- b. Administrative Organic Code;
- c. Organic Code of Trade and Investment Production;
- d. Organic Code of Public Planning and Finance and its Regulations;
- e. Tax Code;
- f. Internal Tax Regime Act;
- g. Companies Act;
- h. Regulations for the Implementation of the Law on Internal Tax Regime, Executive Decree No. 374, Official Register No. 209 of 8 June 2010, renovated on 31 March 2020;
- i. Regulations of the Organic Code of Planning and Public Finance, Executive Decree No. 489, Official Register No. 383 of 26 November 2014, refurbished on 11 January 2018;
- j. Regulations for the Substance of Management Procedures of the Ministry of Transport and Public Works (Ministerial Agreement No. 038-2019 of 11 November 2019);
- k. Other applicable regulations;
- l. This Fold and its annexes;
- m. The Acts that have been issued during the pre-contractual process.

5.1. Regulatory Framework for the Transport sector and the Road Service



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- a. Organic Law of the National Land Transport Road Infrastructure System;
- b. Regulations implementing the Exceptional Regime for the Delegation of Public Transport Services, Executive Decree No. 810, Official Register No. 494 of 19 July 2011;
- c. Regulations of Organic Law of the National Land Transport Road Infrastructure System;
- d. General Specifications for the Construction of Roads and Bridges MOP-001-F-2002 TOMOS I Y II;
- e. INEN Standards;
- f. AASHTO Standards;
- g. Any current technical standard.

5.2. Other applicable rules

- a. National technical standards, and in case of lack thereof, in accordance with international standards concerning best practices in the road sector.
- b. The rules governing environmental management, including those specific to the canton(s) in which the construction under this Project is located.
- c. For the application of the technical standards (additional international) rated in point (a) above, the authorization of the Supervisor and/or Supervisor and Administrator of the Contract, as appropriate, shall be obtained in the Organization Period and in the Construction Period.

6. Delegant Entity

For the legal purposes of this International Public Competition, the Ministry of Transport and Public Works is the Delegate Entity.

6.1. Competition

The Ministry of Transport and Public Works was created on 15 January 2007, by Executive Decree No. 8, published in the Official Register No. 18 of 08 February 2007, thus replacing the Ministry of Public Works and Communications; its mission is to be the governing entity of the National Multimodal Transport System, formulate, implement and evaluate policies, regulations, plans, programs and projects that guarantee a safe and competitive transport network, minimizing the environmental impact and contributing to the social and economic development of the country; and, its vision is to be the axis of national and regional development through Intermodal and Multimodal Transport Management and its Infrastructure with efficiency and quality standards.

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Ministerial Agreement No. 0059, from 22 June 2015, signed by the then Minister of Transport and Public Works, the Organic Statute of Organizational Management for Processes of the Ministry of Transport and Public Works was issued, which establishes the organizational structure of the same and within the substantive processes is the Undersecretariat of Delegations and Transport Concessions, which aims to develop , plan and implement processes of public initiatives deprived of transport services within the scope of their competence.

Through Executive Decree No. 860 of 21 August 2019, Mr. President of the Republic, Mr. Lenín Moreno Garcés, appointed as Minister of Transport and Public Works, The Master José Gabriel Martínez Castro.

Article 47 of the Organic Administrative Code determines that: *"the highest administrative authority of the relevant public entity exercises its representation to intervene in all acts, contracts and legal relations subject to its competence. This authority does not require any delegation or authorization from a higher body or entity, except in cases expressly provided for in the Act"*. For the case of the Ministry of Transport and Public Works, its highest authority is the Minister.

It is up to the Minister or his Delegate, as representative of the Ministry of Transport and Public Works:

- a. The issuance of the Resolution for the initiation of the International Public Competition and the formation of the Technical Commission.
- b. Approval of the Fold and its modifications if substantive aspects are found.
 - a. The issuance of the Call to the Competition;
 - b. Adoption of decisions addressing challenges to the Act of Qualification of Bidders, Technical Qualification and Economic Qualification;
 - c. The adoption and issuance of the Award Resolution;
 - d. If necessary, the adoption and issuance of the resolution in which the Public Competition is cancelled. At any time and twenty-four hours before the date of submission of the tenders, following a recommendation report from the Technical Commission.
 - e. If necessary, the adoption and issuance of the resolution declaring the Public Competition deserted, following a recommendation report from the Technical Commission; and, in the event that the Contract has already been awarded, upon report of the General Coordination of Legal Advice. The desert declaration shall not give rise to any claim, reparation or compensation;
 - f. Approval of the final text of the Contract; And
 - g. Subscription to the Agreement.



6.2. Technical Commission

The Technical Commission is the Body of the Public Competition responsible for:

- a. Thereselling and approval of the Fold to be considered by the Minister or his delegate;
- b. Issue Modifications/Clarifications to the ~~Folds~~ which may be ex officio or at the request of a party.
- c. The acquittal of questions and clarifications in relation to the Fold. If a Technical Support Subcommittee has been appointed, the Commission may request reports from the Sub-Commission to assist it as input for the acquittal of consultations;
- d. The power to designate one or more Technical Support Subcommittees to consider it necessary, to be responsible for making input reports with respect to: The acquittal of consultations, issuance of clarifications, according to technical, economic-financial and legal parameters; the review and evaluation of the Offers; as well as the issuance of the respective conclusions and recommendations to the Technical Commission; The Commission may request from the Technical Sub-Commission any other reports it deems relevant;
- e. The review, evaluation and qualification of eligibility, legal, technical and economic requirements including the technical proposal of bidders in accordance with this Fold. If a Technical Support Subcommittee has been appointed, its requirements review report will serve as a support for the Commission;
- f. Review and require clarification to reports prepared by the Technical Support Subcommittee, if designated;
- g. Review, evaluate and qualify the economic offer in accordance with the parameters set out in this Fold. If a Technical Support Subcommittee has been appointed, its economic supply review report will serve as an input for the Commission;
- h. The power to carry out procedures and consultations aimed at verifying technical, financial-economic and/or legal information, with respect to documents submitted by bidders, which with the submission of their Offer confirm their authorization to the Commission to carry out these verifications;
- i. The power to request specialized technical assistance from experts in specific areas or topics may also be these professionals outside the MTOP; as well as the power to request the assistance of a Special Support Subcommittee other than that already formed or other special assistance for specific issues.

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- j. The preparation of the minutes corresponding to decision-making within all stages of the International Public Competition process. If a Technical Support Subcommittee has been appointed, its report will serve as an input for the Commission.
- k. To deal with the bidder(s) enabled for this stage;
- l. The preparation of the Acts of Calification. If a Technical Support Subcommittee has been appointed, its report will serve as an input for the preparation of that final report.
- m. The preparation of the report and recommendation to the Minister for the award or declaration of deserted procedure as the case may be;
- n. Recommend to the highest authority or its delegate the extension of the time limit set out in the Award Resolution for the subscription of the Contract, at the request of a party or at the need of the Delegated Entity.

6.2.1. Conformation and decision-making

- a. The Technical Commission shall be composed of the highest authority or its delegate through the respective reasoned resolution, as follows:
 - i. A professional appointed by the highest authority or his delegate, who shall preside over it;
 - ii. The holder of the Undersecretariat of Delegations of Transport services and public works;
 - iii. A professional related to the object of the delegation appointed by the highest authority of the Provincial GAD of Los Ríos; And
 - iv. The General Coordinator of Legal Advice of MTOP, who will serve as Secretary and Legal Adviser of the Commission.
- b. The Technical Commission shall be validly installed with the concurrence of the total of its voting members. In the event of non-concurrence without justification for reasons of health or force majeure duly checked by one of its members, it shall be installed with the concurrence of at least two of its members, including the President, who shall have a direct vote.
- c. The Technical Commission shall take its decisions with at least two compliant votes;
- d. It is for the Secretary of the Technical Commission to record the decisions taken by the Commission, in the respective minutes to be signed by all its members.

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- e. The Secretary of the Commission shall be responsible for performing and conducting all acts of communication; as well as publishing on the MTOP website, all the minutes of the stages of the procedure and any relevant information of the Competition at the discretion of the Commission.
- f. The members of the Technical Committee shall act with a voice and vote, with the exception of the Secretary-Adviser, who shall act only with a voice.

6.3. Technical Subcommittee on Specialized Technical Support and Assistance

- a. The Technical Support Subcommittee is the body of the Competition that may be designated by the Technical Commission, if required, in order to provide its assistance and support at the stages of: questions, answers and clarifications; review of tenders; validate errors; and other steps considered by the Technical Commission at the time of its appointment or at any time of the International Public Competition; and, consequently, issue the corresponding reports with the conclusions and recommendations to the Technical Commission;

- b. The Technical Support Subcommittee will consist of four professionals:

Delegates by MTOP (with voice and vote)

- A Coordinator of the Subcommittee, delegated by the Pre-Side of the Technical Commission; ;
- One with experience in financial economic models.

GAD Los Ríos delegates

- A technician with experience in the areas corresponding to the subject matter of the International Public Competition, road engineering or related; voiced and voted.
- A legal professional, who will practice the AD HOC secretariat of the Sub-Commission, with a voice without a vote.

Members of the Technical Support Subcommittee shall carry out their functions in accordance with this Fold and with the appointment made by the Technical Commission.

- c. The installation quorum rules and the operation of the Technical Support Subcommittee shall be as follows:

- i. The Subcommittee on Support shall be validly installed with the concurrence of its Coordinator and at least one of its voting members;



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- II. The Subcommittee on Support shall adopt its decisions unanimously; it shall therefore issue the relevant reports with its conclusions and recommendations to the Technical Commission;
- III. He shall act as Secretary of the Technical Support Subcommittee and as its legal adviser, with a voice and without a vote, the law professional appointed within it.
- IV. The meetings will be convened and moderated by the Coordinator of the Technical Support Subcommittee.
- V. The Coordinator of the Technical Support Subcommittee shall be responsible for coordinating with the members of the Technical Commission and communicating to it all findings found within the steps designated to provide support by the Sub-Commission.
- VI. Members of the Technical Support Subcommittee shall act with a voice and vote, with the exception of the Secretary of the Subcommittee on Support, who shall act only with a voice.
 - d. It is for the Secretary of the Technical Support Subcommittee to prepare the report(s) with the conclusions and recommendations adopted by this body at the various stages designated to provide support, the report shall be endorsed by the Coordinator of the Sub-Commission.
 - e. The preparation of the reports and communications of the Technical Support Subcommittee is the responsibility of its Secretary, exclusively addressed to the Technical Commission.
 - f. Specialized technical assistance may be required by the Technical Commission, MTOP professionals or other public or private entities. Attendances can be verbal, explanatory, translated into reports or documents. The Commission may request specialized technical assistance for advice on the acquittal of consultations, the issuance of clarifications; review and evaluation of bids; as well as to make recommendations to the Technical Commission. Specialized assistance is an input that is not binding on the Technical Commission.

Section II: Requirements to accredit by Bidders

7. Requirements for participation.

In this International Public Competition you can participate:



7.1. Natural, legal, domestic or foreign persons, associations, or consortia, who have an interest in the implementation of the Project according to the requirements, requirements, terms, conditions, limitations and more bases provided for in this Fold; and especially that they meet the constant requirements in this Fold. Eligibility requirements, technical and economic, may be established through the bidder's own experience or through consortia, related companies (companies that are part of the same economic group of the tenderer's company, including its directly or indirectly controlled companies, its parent companies, its subsidiaries or its parent companies).

Right of association.- Natural persons and legal persons legally constituted, have the right to submit their offer in this process of International Public Competition in an associated form, or commitment of association or consortium. Participation in an association or consortium commitment does not mean for each of the shareholders the loss of their legal entity, since the association or consortium commitment does not constitute a different legal entity. Consequently, when the contract is awarded to an association or consortium commitment, each of the shareholders shall be jointly and severally liable for the fulfilment of the obligations arising from the tender and the contract. The experience presented in projects carried out in consortium, can be credited to 100% if the percentage of participation of the offeror was equal to or greater than 40% insaid consortium.

8. General and special inability

Persons who incur the general and special inability provided for in the following guidelines may not participate in the Competition, directly or indirectly:

- a) Those who are in the incapacity established by the Civil Code of the Republic of Ecuador;
- b) Those in insolvency, bankruptcy and/or insolvency proceedings;
- c) A legal person who has as a partner or shareholder public servants, officials or public employees, their spouses or their relatives within the third degree of insanguinity or second of affinity, who would have had directly or indirectly linked at any stage of the procurement procedure or have a degree of responsibility in the procedure or who, because of their activities or functions, could be presumed to have inside information.
- d) Delinquent debtors of the Ecuadorian State or its institutions;
- e) No Bidder may enter the Contest, directly or indirectly, with more than one Offer.

- f) Separately, those who are linked or related to the offeror directly or indirectly, by the ownership of the company, the administration, and, in general, any form of corporate control.

9. The Offer

The offer will be presented in one (1) envelope corresponding to the Eligibility Requirements, Technical Offer and Economic Offer, in accordance with the following detail:

9.1. Eligibility Requirements

The Eligibility Requirements are composed of the Legal Requirements, Technical Experience Requirements and Economic and Financial Solvency Requirements, which will be accredited with the contribution of the documents and information required in this Fold and those provided by the Offerer.

Eligibility requirements justification documents will be presented in simple copies. Translation documents in the event that they are not in Spanish will not require any formality.

9.1.1. Documentation of Legal Requirements:

- I. Form 1 filing of the Offerer;
- II. Affidavit not to be incurso in the special and general inability provided for in this Fold, which must be granted to Notary Public by the legal representative of the Offeror or joint solicitor of the commitment of association or consortium. Private documents with signature recognition and rubric will not be accepted
- III. Scriptures of constitution of the bidder or, if the offer is submitted in an associated or consorciated form the deed of constitution of each of the participants. Legal existence of at least five years before the date of the Call.
- IV. If the offer is submitted for an Association or Consortium Commitment, attach Commitment to Be a Purpose-specific Private Law Entity if it is awarded, granted in public deed, which must contain at least the following information:
 - a) Identification of participants, including domicile and place to receive notifications, with verification of capacity requirements, representation of the parties, and duration of their legal existence, which shall cover at least the contractual execution period.

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- b) Appointment of the representative(s) with sufficient power or representation to be able to act during the pre-contractual phase, to whom or who will be called a solicitor/common;
- c) Valued detail of the contributions for the implementation of the project, whether in monetary or in kind, as well as in intangible contributions, if thus agreed;
- d) Specific determination of the commitments and obligations of the participants in the contractual implementation phase.
- e) Percentage of participation in the project of each of the commitments.
- f) Identification of the project and the process of the International Public Competition in which they participate.
- g) Definition and unconditional acceptance of the joint liability of the legal persons committed in proportion to their participation in the project, in the event that they are awarded the international public competition procedure. This acceptance shall also be construed by the entity under private law for specific purposes which shall be constituted to enter into the Concession Agreement.
- h) The purpose-built private law entity shall comply with the requirements of Ecuadorian legislation for this purpose and its constitution must be fulfilled within the term provided for in the specifications.

V. Simple copy of the appointment of the legal representative (appointment) or volunteer (power or mandate) of the Offerer. In the case of an Association Commitment or Offering Consortium, a simple copy of the appointment of the Joint Solicitor and special proxy.

VI. The Offer Seriousness Guarantee in accordance with the relevant numeral of this specification. This Warranty shall form part of Envelope 1 B.

VII. If the offerant is domiciled in Ecuador, he must submit the Single Taxpayer Register (RUC), issued by the Internal Revenue Service (SRI); foreign persons must present the tax identification document of their country of origin, if they are several persons, the document will be presented for each of them.

VIII. Appointment and identity document of the legal representative or proxy of the offerant, with sufficient powers to perform all legal, legal, administrative and procedural acts related to this Process; and, therefore, aimed at the fulfilment of this specification and the subscription of the corresponding contract if it is awarded. Such representative or attorney general shall have sufficient powers to respond to claims, in accordance with the provisions of the first paragraph of Article 6 of the Companies Act and to exercise the powers of a general representative, including the power to submit the corresponding proposals under this International Public Competition, and to fully comply with the requirements of this General Staff.

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- IX. Payroll of partners or shareholders of the Offererente and in case of Consortium the payroll of those who make up it.
- X. In the event that the bidders are foreign, all documentation equivalent to that listed herein must be attached, in accordance with the provisions of the legislation in force in their country of origin, having to detail the legal regulations that regulate the requirements.
- XI. File an affidavit stating that its shareholders, directors, and administrators in the last 5 years have not been sentenced or are not in financial or criminal proceedings.

9.1.2. Technical Experience Eligibility Requirements and Documentation to Accredited

Bidders must comply with and prove the following technical experience:

- a. Bidders must demonstrate experience in construction and/or expansion not less than 90 km in length in the last 10 years, in maximum 3 projects individually considered or the sum of them. The experience must be counted from the date of subscription of the provisional or final receipt delivery minutes; or its equivalent if it is abroad.
- b. Bidders must demonstrate experience in the construction of 6 bridges of at least 25 meters in length and 11 pedestrian crossings in maximum 3 projects.
- c. Bidders must demonstrate experience in road maintenance not less than 100 km in length in the last 10 years, in maximum 3 projects individually considered or the sum of them.

Bidders must comply with the requirements set out in clauses (a) (b) and (c).

Bidders will be able to meet technical eligibility requirements through their own experience or through the sum of experiences of companies that make up consortia, commitment of consortia or related companies (companies that are part of the same economic group of the tenderer's company including; its companies directly or indirectly controlled, its subsidiaries, parent companies or its companies controlled by its parent companies), which may be accredited as principal contractor, member of a Partnership, Consortium or Association, or Association or Consortium commitment.

9.1.2.1. Documentation for accreditation of Technical Experience Eligibility Requirements

- i. Acts of delivery provisional or single or definitive receipt showing compliance with the technical requirements of the experience; or its equivalent for foreign bidders. The Act of Delivery is understood as receipt, to the legal



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instrument signed with public and/or private sector entities that prove the execution of a work to the satisfaction of the procuring entity.

9.1.3. Economic Eligibility Requirements - Financial and Documentation to Accredited

Bidders must meet and prove the following financial economic requirements.

- a) An accounting assets, for the last fiscal year (year 2019), not less than 25% of the CAPEX value of the project. In the case of an Association or Consortium Oferente, the minimum book estate shall be established as the linear sum of the accounting assets of its members, weighted by their participation in the Association or Offering Consortium; and, in the event that the offerer is an Association or Consortium Commitment, the minimum accounting assets may be credited with any of the members of the Association or Consortium Commitment in accordance with the complementarity criterion.
- b) A liquidity index, greater than or equal to 1, for the last fiscal year (year 2019). In the case of an Association, Offering Consortium, Association Commitment or Consortium Commitment, the required liquidity index must be accredited by each of its members.
- c) An acid liquidity index, greater than or equal to 1, for the last fiscal year (year 2019). In the case of an Association, Offering Consortium, Association Commitment or Consortium Commitment, the required acidic liquidity index must be accredited by each of its members.;
- d) A indebtedness rate, not more than 1.50, for the last fiscal year (year 2019). In the case of an Association, Offering Consortium, Association Commitment or Consortium Commitment, the required indebtedness index must be accredited by each of its members.;
- e) A solvency index, greater than or equal to 1, for the last fiscal year (year 2019). In the case of an Association, Offering Consortium, Partnership Commitment or Consortium Commitment, the required solvency rate must be accredited by each of its members
- f) A debt coverage rate, greater than 1.2, for the last fiscal year (year 2019). In the case of an Association, Offering Consortium, Association Commitment or Consortium Commitment, the required debt coverage rate must be accredited by each of its members.



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The indices shall be accredited by the individual participant if it were one, and, in the case of an Association, Offering Consortium, Association Commitment or Consortium Commitment, through the individual indices of each of its members.

g) A Letter of Intent for Financing Commitment or Credit Line:

The offeror shall prove that he/she will have sufficient and timely financing, by original certificate or authentic communication from one or more financial institutions, local or foreign investment funds deemed acceptable by the Delegated Entity, in accordance with the conditions laid down in this statement, to international good practices and to verify the data and capacity of the issuer. In the event that, if awarded, such or such financial institutions and/or investors are willing to give you the financing required to meet the costs and expenses inherent in the performance of the contract, provided that the offeror complies with the requirements of the financialist F and agrees to the conditions of the financing. The bidder undertakes, if he is a successful tenderer, to allocate the indicated financing exclusively, in the part corresponding to the implementation of this project.

In the event that CAPEX financing is to be granted by one or more investors, such financing shall also be supported by the letter or certification of the relevant financial institutions attesting to the availability of sufficient funds in the respective account, to grant such financing.

The letter of intent of financing or line of credit of the financial institution or the investor, and of whom it supports investor financing, shall be subscribed by the legal representative of the issuer or by person with sufficient power to do so, and if granted abroad it shall comply with the provisions of article 28 of the Law for the Optimization and Efficiency of Administrative Procedures.

Relevant translations shall be carried out in accordance with Article 29 of the Law on the Optimization and Efficiency of Administrative Procedures. Such documents shall also detail the institutional data of the issuing(s) of such communications in order to be able to carry out any investigations, verifications and clarifications that may be the case. It shall also include the names and surnames and sufficient data of the contact person, such as his/her email address, of such station or broadcasters with which the Technical Commission



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may also make the relevant investigations and verifications or clarify the content or scope of such communications.

After the award, the successful tenderer may propose the replacement of the financial institution or the granting investor of its financing, which shall be submitted to the knowledge and approval of the Delegated Entity. In this case the funding must have the same support previously provided and sufficient information indicated above to make the investigations, verifications and clarifications that may be the case.

Without prejudice to all of the foregoing, the offeror may also finance with his own money the performance of the contract, for which he must prove the availability of sufficient annual funds to cover the planned investments of the project's work schedule, with the documentary endorsements of the respective entities where the money referred to is deposited, intended exclusively for that purpose during the period of contractual execution. It is possible to combine the financing with own money with the financing of third parties in the terms indicated above, provided that they have sufficient backing previously determined.

Where the successful tenderer has for purposes other than the contractual execution of the money own or that provided by third parties for the performance of the contract, such provision shall be the cause of unilateral termination for non-compliance.

In all cases and alternatives provided herein, in addition to complying with all the conditions and requirements indicated above, it is clearly established and accepted that the MTOP reserves the right to investigate and establish the actual existence of the financing and the corresponding availability of current assets.

k) Experience in obtaining funding of at least 130 million in a maximum of 2 roadinfrastructure projects reached in the last ten (10) years.

l) Scheme or model of the integral financing of the project, according to the Nro form. 6 D "Comprehensive Project Financing").

Bidders of other nationalities: In this case, the information listed must be presented in the equivalent documents in accordance with the regulations of the bidder's country of domicile.



9.1.3.1. Documents to accredit Economic eligibility requirements - Financial

The requested financial information must be delivered in accordance with Form No. 6 ("Economic – Financial Information" 6A, 6B, 6C, 6D).

- i. Professional identification and accreditation document of the accountant.
- ii. Identification document and professional accreditation of the external auditor.
- iii. Letter of intent to compromise or line of credit
- iv. Document or certificate of availability of funds

The information entered on Form No. 6A shall be justified by:

- v. Balance sheets of the last 3 full years prior to the submission of the Offer, submitted to the SRI, for local companies, or its equivalent in the host's country of domicile for foreigners.
- vi. External audit reports on the balance sheets of the last 3 years for both local and foreign companies.

9.1.4. Technical Offer Requirements and Documents to Accredit

- a) For the preparation of the Technical Offer, the Bidder shall meet the requirements and scope of Annex 1 "Project Technical Assessment Report and Annex 2 "Quality Indicators".
- b) Technical Offers must comply with the submission of the following documents:
 - i. Minimum Engineering Study at The Preliminary Draft Level (Form No. 3)
 - ii. CAPEX and OPEX budget in constant and current values (Form No. 4)
 - iii. Rated CAPEX and OPEX schedule in constant and current values (Form No. 5)

9.1.5. Economic Offer Requirements and Documents to Accredit:

Economic Offers must comply with the submission of the following documents:

- i. Summary Results Economic Proposal (Form No. 7A)
- ii. Letter of Submission of the Economic Offer (Form No. 7B)
- iii. Economic Offer (Form No. 7C)

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- iv. Financial Modeling (Form No. 8). The digital file containing the Economic - Financial Model must be formulated and fully linked to all the sheets that make up it, which must be presented in EXCEL format. Documents with manually entered values will not be accepted.



10. Guarantees

The Offerer shall provide in favour of the Ministry of Transport and Public Works the guarantees set out in this specification in accordance with the following rules:

10.1. With the offer they will present the following guarantee that will be attached in the Nro envelope. 1 C of the Offer:

i. **Offer Seriousness Guarantee:** It will be presented in the amount of USD. \$1.500,000.00 (One million five hundred thousand U.S. Dollars), which will be delivered in conjunction with the Offer.

- 1) The Offer Seriousness Guarantee must be surrendered in the form of a bank guarantee or policy, unconditional, irrevocable and immediate collection at the request of the MTOP. Guarantees granted by banks or other foreign financial institutions shall be submitted through banks, financial institutions or insurance companies (authorized by the Superintendency of Companies, Securities and Insurance of Ecuador), legally established in Ecuador, which will represent and be responding for the first and all effects arising from the guarantee. Ecuadorian insurance companies issuing the required warranty must be rated no less than AA.
- 2) As a general rule, it must be extended with a period of validity of not less than 12 months, from the date for the Submission of the Bid, until the date of award; except the guarantee presented by the awarded Bidder, which must keep it in force until the date on which the Contract is signed;
- 3) Where the Offer Seriousness Guarantee is surrendered in the form of a bank guarantee, it shall be issued or presented through an entity in the financial system that has a rating not less than AA+ at the international level and AA at the national level according to the rating of the accredited entity for this purpose.
- 4) Guarantees made in the form of a bank guarantee for the entire duration must be re-insured by at least eighty-five per cent (85%), and the Management Company must ensure that during the term of the Contract such obligation is fulfilled to the satisfaction of the MTOP.
- 5) All warranties established in accordance with current regulations and this Fold must be validated and accepted by the MTOP.



6) The Offer Seriousness Guarantee will be executed in the following cases:

1. When the Bidder expressly or hastily desists from its Offer at any time until the selection of the winning offer;
2. Where the selected Offerer does not appear in the Negotiation for which he is summoned;
3. Where the Offerer selected for the Negotiating stage disagrees with matters that were the subject of his Offer or that do not correspond to the Negotiating and Award Phase under this Terms and Conditions, and therefore a declaration of impossibility is signed for reasons attributable to that Bidder;
4. Where the Adjudicated Offerant does not appear at the conclusion of the contract for reasons attributable to him, within 15 days after the deadline granted in the Award Resolution for the submission of enabling documents has expired, without an extension granted by the highest authority or its delegate.
5. Where the Bidder is declared a Failed Adjudicator on the recommendation of the Technical Commission, on one of the above-mentioned grounds.
6. Where the documents submitted do not correspond to reality, by verification by the Technical Commission.

10.2. Prior to the Subscription of the Contract, the Awarder shall submit the following warranties:

Guarantee of Faithful Compliance for the Construction Period (Guarantee One).- a) For the obligations assumed in relation to the Construction Period of the works, the Management Company will grant and maintain in favor of the Delegated Entity a guarantee per a value equivalent to five (5%) per cent of the Project's investment in constant values. The consumer price index of the previous immediate year will be reviewed annually in order to adjust the value of the current CAPEX, which will serve as the basis for updating the amount of the guarantee in its successive renewals. b) Guarantee one (1) shall be constituted to ensure compliance, during the Construction Period in favor of the Delegated Entity, the obligations incurred in favor of third parties thus ensuring repairs or changes of those parts of the work in which construction defects, poor quality or non-compliance with the specifications attributable to the Management Company are discovered.

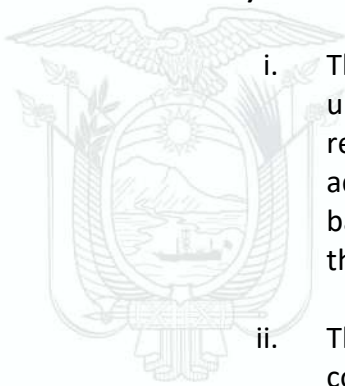
Guarantee of Faithful Compliance for the Period of Operation and Maintenance (Guarantee two).- a) To ensure compliance with contractual obligations related to Operation and Maintenance, the Management Company will grant and maintain in favor of the Delegated Entity a guarantee worth 10% of the annual maintenance

budget, in accordance with the Reference Budget contained in the Operation and Maintenance Plan. The previous year's consumer price index will be reviewed annually in order to adjust the value of the current CAPEX, which will serve as the basis for updating the amount of the guarantee in successive renewals. This guarantee will be issued annually according to the budgets and renewed on the same basis with an advance of at least fifteen (15) days prior to its expiration. b) In the last two (2) years of the Contract, Warranty 2 shall be increased by a sum equivalent to ten per cent (10%) of the maintenance budget contained in the Offer or to the guarantees approved by the grantor, in order to ensure that **the Management Company complies until the end of this contract with the Maintenance Plan.**

Both guarantees will serve to cover any other type of contractual obligation arising from the nature of the concession contract according to the corresponding stage.

a) General Guarantees:

- i. The guarantees of faithful compliance must be firm, irrevocable, unconditional, immediate collection, fully or partially enforceable at the request of the Delegated Entity, without being subject to prior administrative formalities. They shall be surrendered by an Ecuador-based financial or insurance institution with a rating equal to or greater than AA.
- ii. The amount of the guarantee of faithful compliance cannot be compensated with any claims claimed in its favor by the Management Company whatever its cause.
- iii. The amount of guarantees of faithful compliance will be undeniable, and unenforceable by third parties, outside the Delegated Entity.
- iv. In the event that the guarantee of faithful performance of the contract is an insurance policy, during its entire term it must be reassured by at least eighty-five percent (85%), and the private manager must ensure that during the term of the Contract such obligation is fulfilled to the satisfaction of the MTOP.
- v. All warranties established in accordance with current regulations and this Fold must be validated and accepted by the MTOP. In the event that the Guarantees of Faithful Compliance are not correct and/or compliant, the General Coordination of Legal Advice shall notify the Awarde, who must remedy and deliver it within 10 days. After this period if the errors have not been corrected, the Legal Coordinator shall issue his



recommendation to the highest authority or his delegate to appoint him a failed Adjudicate.

11. Insurance

Bidders, when preparing their offer, will have to consider the costs of the following insurances:

- (a) During the Organization Period, prior to the date of commating physical taking of the Goods and not beyond ninety (90) days from the date of subscription of the Contract, the Management Company must submit to the Complaining Entity for approval, the model of policies to be contracted corresponding to the insurance referred to in this clause and the indication of the insurer you have selected, in ac ac addition to the terms of the Contract.

- (b) The Management Company must contract in its charge the following insurances, with insurance companies that have a rating equal to or greater than AA that, meeting these requirements, have legal capacity to operate in Ecuador and in turn also have a Reinsurer.

- (c) **Liability Insurance against Third Parties: Against any damage, loss or injury that may arise to property, persons and/or the environment, due to any action related to the performance of the subject matter of the Contract, in such a way as to keep the Delegated Entity, itself, its employees, agents, contractors and/or third parties covered.** For the preceding purposes, the total risk to be covered by at least \$5,000,000.00 (Five Million United States dollars) is at least \$5,000,000. This insurance will have to remain in effect until the completion of delegated management.

Likewise, this insurance will have to cover the acts and omissions of the personnel in your charge, the acts and omissions of its contractors and subcontractors and dependent on them, accidents, payments to which the MTOP may be convicted administratively and judicially as a result of damages caused to third parties by the management, facts, acts and omissions of the Management Company and the persons for whom it responds in the terms of this specification, the contract, and the applicable legislation.

The Management Company must justify that it has this guarantee of civil liability for damages to third parties and/or users and their property, to guarantee to those who may be harmed in the development of the delegated activity. Such a guarantee of civil liability must also be covered to remedy and compensate for environmental damage caused by its activity. It is clearly understood that the obtaining and validity of this insurance will not relieve in any way the Management

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Company of its direct liability for claims or events whose amounts are greater than the contracted insurance; as well as will be liable even if the insurer does not pay the compensation contracted for any reason that it alleges.

This guarantee does not exempt the Management Company from full damages caused, depending on any claim by third parties actually injured, whether or not there is an executed judgment.

The periodicity of this guarantee may be on an annual basis, and must be renewed for each year for the entire period of its enforceability.

This guarantee will contain an automatic renewal clause, and if it is not fulfilled, it will be renewed at the request of the Management Company or the MTOP, always at the exclusive cost of the Management Company.

(d) Insurance General:

- i. In the event that the Management Company contracts part of its obligations with the corresponding authorization of the Delegated Entity, the management company itself, will be able to pass on its proportional cost of this insurance on the subcontractor, without this freeing the Management Company from the obligation of the maintenance of the conditions and total amounts of the insurance against the Delegated Entity.
- ii. The Delegated Entity may, at any time, require the Delegated Management Company to present these insurances in full force and effect.
- iii. Insurance must be constituted to the satisfaction of the Delegated Entity.
- iv. The Management Company shall be responsible for the policies contracted by its subcontractors being of equal wording, as regards their text, to which it contracts.
- v. It will be the obligation and responsibility of the Management Company to verify that its subcontractors maintain in force the mandatory insurance of its staff and the policies of accidents at work and civil liability during the term of its commercial or contractual relations.
- vi. In no case may the Management Company assign the contracted policies without the prior and express authorization of the Delegated Entity.
- vii. The contracted insurance must be renewed fifteen (15) days before maturity, and remain in force until the delegation's reversal, as provided for in the contract.
- viii. In the event that it is found that the policies constituted by the Management Company and/or the insurance of the subcontractors are not in force, the Delegate Entity will require the Management Company to



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proceed with the corresponding renewal, within a maximum period of fifteen five (15) days.

- ix. In turn, the Management Company must accredit the Delegate Entity annually (from the moment of physical taking of the assets, in the first year, and before thirty-one (31) January each year, for subsequent years), in a reliable way, all policies of which it owns, individualizing the insurance company, the insured risk, the scope of the coverage, exclusions and limits, the expiration date thereof, the payment of the premiums made, the claims made during the previous year, and in general, all the conditions of the policies contracted.

Section III: Procedure of the Pre-Contractual Phase of the International Public Competition

12. Stages of the Pre-Contractual Phase of the International Public Competition Process

The Pre-Contractual Phase of this International Public Competition will have the following stages:

- a) Call for International Public Competition;
- b) Questions, Answers, Clarifications;
- c) Project Site Visits and Stakeholder Meetings;
- d) Cancellation of the process, only if deemed necessary;
- e) Stage: Presentation and Opening of Offers, Eligibility Requirements including Technical and Economic Offer; and, Review.
- f) Stage: Request for Error Convalidation
- g) Stage: Presentation and Opening of Shape Error Convalidation
- h) Stage: Evaluation and Qualification of Offers Eligibility Requirements, Technical Offers and Economic Offers.
- i) Negotiation;
- j) Desert Award or Declaration, as applicable; And
- k) Subscription of the Contract.

- a) Stage: Call for International Public Competition

The Call will be opened and officially published in the most circulated written media in Ecuador and on the MTOP website www.obraspublicas.gob.ec; as well as in the media



relevant to its international dissemination, in accordance with the timetable set out in this specification.

b) Stage: Questions, Answers and Clarifications

Those interested in submitting their tender, after the publication of the open call, may ask questions or request clarification on the content of the tender, via [email buenafejujan@mtop.gob.ec](mailto:buenafejujan@mtop.gob.ec), within the time limit established for that purpose in the schedule of this International Public Competition process.

The Technical Commission may issue clarifications, on its own initiative or at the request of the participants within the time limit set for that purpose in the timetable.

The Proceedings for Responses to Questions Posed and Clarifications shall be binding on all participants and shall be published on the MTOP Website;

It is the responsibility of the participants to constantly consult the MTOP Website to verify the issuance of the Acts of Responses and Clarifications or any other relevant information of the process, so the unanswerment of a Clarification or information does not exempt the participants and subsequent Bidders from their compliance.

c) Stage: Project Site Visits and Stakeholder Meetings

Depending on the objective of the Project, companies interested in bidding in this process shall make as many visits and inspections as they deem appropriate to the Buena Fe–Babahoyo-Jujan corridor for the preparation of their Offers; and,

The MTOP, through the Undersecretariat of Transport Delegations and Concessions, may attend the visits or inspections requested by the interested parties, with the participation of a professional team, within the time limit provided for in the Schedule of the International Public Competition.

i. Meetings with Stakeholders

In order to provide detailed information on the technical scope of the Project, the Technical Commission shall convene at the day and time set out in the Contest Schedule, briefings to companies interested in submitting tenders within the process.



d) Stage: Cancellation of the Process

The highest authority or its delegate may cancel a process prior to the submission of tenders, in the following cases:

- i. If the need does not persist, in which case the file will be archived;
- ii. Where substantial reform is necessary to change the subject matter of the delegation, in which case a new process should be convened; And
- iii. For substantial violation of a pre-contractual process, in which case a new process must be convened.

The declaration of cancellation will not result in any compensation, claim or compensation on the part of the bidders.

e) Stage: Presentation and Opening of Offers, Eligibility Requirements including Technical and Economic Offer; and, Review.

- i. **Presentation:** Bidders will submit in a single about their offer, which must contain: The Legal, Technical and Economic - Financial Eligibility Requirements; The Technical Offer and the Economic Offer, and, the Guarantee of Seriousness of the Offer. Those interested in participating in the international public competition process will submit their tenders prepared in accordance with the specifications requested in this specification, within the time limit set out in the Schedule of this international public competition, at the place and time provided for in the Call. The Secretariat of the Technical Commission will receive the offers and provide proof of receipt with its rubric, and will record both on the receipt and on each offer the date and time of receipt.

Offers submitted elsewhere to that indicated in the call for this Fold, or delivered to anyone other than the Secretary of the Technical Commission shall not be taken into account for evaluation by the Technical Commission; or, after the day and time set in the Call, even if they had in fact been received. Offers not containing the date and time of receipt shall also not be considered for evaluation by the Technical Commission.

Offers will be submitted in physical file, in an original and 2 copies; as well as in digital file.

- ii. **Opening of Offers that will include the guarantee of seriousness of the same : One hour later than the deadline set out in the schedule of this International Public Competition for the submission of Offers, in public act made to the Technical Commission, the Secretary of the same will proceed to the opening of the Envelope containing the Eligibility Requirements including the Technical**

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Offer, the Economic Offer and the Guarantee of Seriousness thereof. At this opening, it shall be verified that the tenders contain all the forms and information requested in the tender specifications. The content of the offer must be presented in a single envelope, which must contain the following:

- About 1 A.- Eligibility Requirements
- About 1 B.- Offer Seriousness Guarantee
- About 2 A.- Technical and Economic Offer
- About 1 C.- Technical and Economic Offer

The diligence shall be recorded in the relevant Act.

- iii. **Verification: The Technical Commission shall initiate the review by verifying that the tenders contain all the forms and information requested in this statement, which shall be recorded** in Annex 7 corresponding to the verification checklist of Annex 7 A documents to this statement, the tenders that are complete (eligibility requirements), will be enabled to carry out the review of their contents, otherwise the offers will be disabled and returned to the Offerer.

The tenders that have been qualified for the review of their contents, will proceed to be reviewed by the Technical Commission within the period established in the schedule of the contest, the review of the Eligibility Requirements, the Technical and Economic Offer, in accordance with the provisions of this specification will be carried out. In the event that a Technical Support Subcommittee has been formed, the Technical Support Subcommittee may be commissioned, once the Technical Support Subcommittee reviews the Eligibility Requirements including the Technical and Economic Offer, issue the corresponding report to the Technical Commission. (It may be a Preliminary Report request for error support if required; or, a final Checklist Report for compliance with Eligibility Requirements, Technical and Economic Offer, as the case may be), for the purpose of using it as input for its pronouncement, which will be reflected in the respective Act.

Offers "Eligibility Requirements Including Technical Offerings and Economic Offer", which once revised their contents do not meet the compliance parameters set out in Annex No. 7 B of that statement, it is not necessary to ask them to validate errors and they will be automatically disqualified. The Technical Commission shall provide the Secretary of the Commission with the return of the Offer Seriousness Guarantee to all Bidders who have been disqualified at this stage.



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Offers "Eligibility Requirements, Technical and Economic Offers" that if they meet the compliance parameters set out in Annex No. 7 B of this specification; and, offers that meet the parameters but are required to perform some error support, once submitted, will be passed to the Bid Assessment and Rating. The Technical Commission shall define errors which are validateable in nature.

f) Stage: Request for Error Convalidation

Offers, once submitted, may not be modified. However, if form errors are presented, they may be validated by the bidder at the request of the Technical Commission, or in turn, the Technical Commission may request clarifications to the documents and information submitted by the Bidders within the term set out in the Schedule of the International Public Competition. This term set out in the timetable may be extended or decreased at the discretion of the Technical Commission, in relation to the level of complexity and magnitude of the information required.

The request for validation shall be notified by the Secretary of the Technical Commission only to the bidders, who are required to make such validation, to the e-mail set out in his offer for that purpose.

Form errors shall mean those that do not imply any modification to the substantial content of the offer, such as typographical, foliate, substem or certification of documents.

The validations will have to be presented in an original and a copy.

g) Stage: Presentation and Opening of Shape Error Convalidation

- i. **Presentation: Bidders who have been asked to validate form errors shall submit such** validation in accordance with the specifications requested in the respective Act, within the time limit set out in the schedule of this International Public Competition, at the place established for submission in the respective Act.

The Secretariat of the Technical Commission shall provide proof of receipt with the heading, as well as, a copy of that receipt shall be attached to each validation and shall record in both the receipt and the Envelopes each validation, the date and time of receipt.



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The convalidations delivered elsewhere or after the day and time set out in the Timeline and the respective Minutes shall not be taken into account for evaluation by the Technical Commission, even if they had in fact been received.

- ii. **Opening of Convalidation of Form Errors : One hour after the deadline set out in the schedule of this International Public Competition or in the respective Act for the presentation of validation of form errors, the Secretary of the same will proceed to the opening of the validations received.**

The Secretary of the Technical Commission shall inherit each of the sheets contained in the originals of the convalidations received.

The diligence shall be recorded in the relevant Act.

The originals and copies of the validations shall remain in the custody of the Secretary of the Commission until they are delivered to the Technical Support Subcommittee, if it has been formed and thus considered by the Commission, for review, once the Technical Support Subcommittee conducts the review of those validations, in the event that the Technical Commission has requested them, it shall issue the corresponding report to the Technical Commission, with the aim of using it as input for its evaluation and qualification, which will be reflected in the respective Evaluation and Qualification Act.

h) Stage: Evaluation and Qualification of Offers: Eligibility Requirements, Technical and Economic Offers.

The Technical Commission, once the offer has been received and their respective validations, will carry out the evaluation and qualification of the same, in accordance with the parameters set out in this specification, the results will be reflected in the respective Act and published on the Website of the International Public Competition.

At the time of evaluating bidders and technical and economic offers, a prelation shall be established in accordance with the score obtained.

The evaluation and qualification of the Offerings shall be carried out in accordance with the following rules:

1. **Evaluation and Review of Eligibility Requirements :** First the Eligibility Requirements presented will be assessed to meet all the parameters set forth in this specification, only Bidders who meet the Eligibility Requirements will be qualified for the Evaluation and Qualification of the Technical and




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Economic Offer; and, bidders who do not comply, will be disqualified from the International Public Competition.

The verification of the Eligibility Requirements will be carried out by means of the compliant/non-compliant method, in accordance with the evaluation parameters set out in Annex No. 7 B of that statement.

It is sufficient that you include in the respective form a determination of "Not fulfilling" for the Offer to be rejected after the requirement of validation if requested, which means that the offer does not move to the next phase of qualification of Technical and Economic offers.

In the event that there are no Bidders who have passed the assessment and review of eligibility requirements, the Technical Commission shall issue the corresponding report addressed to the Highest Authority or its delegate, with the recommendation to declare the International Public Competition desert.

- 
- 2. Evaluation and Qualification of Technical and Economic Offers: The Technical Commission shall carry out the evaluation and qualification of the technical and economic tenders, the tenders that met the Eligibility Requirements; in accordance with the methodology provided for this purpose, the same as set out in Annexes No. 7 C and 7 D to this statement; as well as verify that the economic model (financial run) of the offer, is consistent and objective with the information presented in the economic offer and in general in all the financial and technical documents of the offer, with their respective livelihood.**

The results of the evaluation and qualification of tenders which, if they meet the parameters established for this purpose, shall be reflected in the respective Act of Evaluation and Qualification of Offers; and, they will be enabled to move on to the negotiating stage. Offers that do not meet this stage will be disqualified from the International Public Competition.

The Technical Commission shall provide the Secretary of the Commission with the return of the Offer Seriousness Guarantee to all Bidders who have been disqualified at this stage.

In the event that there are no Bidders who have passed this stage, the Technical Commission shall issue the corresponding report addressed to the High Authority or its delegate, with the recommendation to declare the International Public Competition deserted.

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The deadlines for the review, evaluation and qualification of tenders may be extended by the Technical Commission by means of an act of amendment of the schedule according to the number of tenders to be evaluated at this stage;

The Bid Evaluation and Qualification Act will be published through the MTOP Website.

Only the Offerant who has met the parameters set out in the evaluation and qualification stage will be notified by e-mail and obtains the first place in the order of prelation to move on to the next stage corresponding to the negotiation.

The Bid Evaluation and Qualification Act shall be challenged in accordance with this Statement.

2.1 Methodology for rating the Technical Offer and Economic Offer

2.1.1. Technical Offer

The methodology is detailed in Annex No. 7 C

2.1.2. Economic Offer

The methodology is detailed in Annex 7 D

2.2 Score allocation

Only Offers Enabled according to the parameters set out in this section will be evaluated using the per-score methodology, according to the following criteria:

Table No. 2

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Categories	Maximum Score	Score Weighted (100%)
1.- Qualification of the Technical Offer. (Annex 7 C)	20	20%
2.- You will get 5 points the offerer who proposes the execution of the widest range in km, of the following work: 1. Construction 4 lanes from section 1 of the Quevedo Road Ring of approximately 4 km, which starts from the north AVQ interchange and ends at the intersection with the Quevedo – Valencia road.	5	5%
3.- 50 points will be obtained by the offerer who proposes the execution of the widest range in km, of the following work: 1. Rehabilitation and Extension to 4 lanes of the Quevedo section – Windows of approximately 7 km. (reference absc reasons: 58+000 – 65+000)	50	50%
4.- The offerer presenting the lowest value of the financing cost (present value) will receive 15 points. All other bidders will receive points proportionately (as calculated in Annex 7D 1) in relation to the lowest value presented.	15	15%
5. Qualification of financial indices and book assets (Annex 7 D2)	10	10%
4.- In case of a tie, the winning proposal will be the one that offers the shortest period of road expansion.		



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- Qualified or compliant offers are those that passed the review and evaluation of legal, technical and economic – financial eligibility requirements, as well as the evaluation of technical offer and the assessment of the economic offer to conformity.

3. Bid disqualification

Within the evaluation and qualification phase of tenders, it shall be verified that the tenders do not provide for conditioning and shall cause the immediate disqualification of tenders containing one of the following cases, without such disqualification being challenged or objected to:

- Offers requiring contribution, disbursement, co-payment, availability payments (PPD) and/or pay-as-you-go (PPU), additional State contributions to those provided for in this statement and its annexes or others by the State.
- Offers containing a higher toll rate than set out in the Public Reference Project, listed in Table 9 of the Financial Economic Assessment Report, "Premises for Income Calculation" (USD. \$1.25 start-up at the two toll stations., and increases to USD. 1.50 from year 3)

i) Stage: Negotiation

- Upon conclusion of the Evaluation and Qualification Stage of the Bidder and the Technical and Economic Offer, the Technical Commission shall convene the first of the Bidders, in the order of prelation determined in the Evaluation Act, with the purpose of negotiating the following aspects of its Offer:
 - Specify in greater detail the technical aspects of the offer, without any reduce of the specifications offered; the items presented may be modified only if this does not affect or decrease the scope of the requirement and the technical specification that supports it.
 - The acquittal and/or rectification of the observations determined in the Act of Qualification of Tenders.
 - The revision of the non-essential contractual terms, i.e. the following aspects of the Contract may not be negotiated: the object, the term, the amount of investment offered, the contribution of the shareholder of the project raised



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in its Offering, the reduction of the scope of the work to be carried out, the increase in the Terms or the reduction of the terms of the committed investment, warranties; it is understood that all other contractual aspects can be negotiated.

2. Negotiations shall take place within the time limit provided for in the schedule of this International Public Competition;
3. Agreements or impossibility of agreements with which the negotiation culminates shall be recorded in the corresponding Negotiating Act;
4. Where the Technical Commission and the Offerant have reached full agreement on the matters seen in numeral 1, the Technical Commission shall recommend to the highest authority or its delegate the issuance of the Award Resolution;
5. For justified reasons, the Technical Commission may extend the negotiating period with the first convened offerant;
6. In the event that the Technical Commission and the Offerer convened first of all do not reach full agreements, the Technical Commission shall convene the Offerer who is in the second place of the order of prelation established in the Evaluation Act to undertake the negotiation;
7. The same procedure provided for in the preceding numerals shall be carried out successively until a total agreement is obtained;
8. In the event that it is not possible to reach full agreement with any of the Bidders, in the order of priority provided for in the Evaluation Act, the Technical Commission shall forward to the highest authority or its delegate the corresponding report, with documentary background, and recommend the issuance of the Resolution declaring this International Public Competition deserted.
9. Where applicable, the highest authority or its delegate shall issue the Award Resolution and provide for the Awarder to be notified.

j) Stage: Award or Declaration of Desert Procedure

1. Award

The highest authority of the Delegant Entity or its delegate shall award the contract by reasoned decision to the offeror who has complied with the evaluation parameters provided for in this Fold.



2. Desert Procedure Declaratory

The highest authority of the Delegant Entity or its delegate shall declare the proceedings deserted, in the following cases:

- i. As no offer has been submitted;
- ii. As all offers or the only tender submitted have been disqualified, in accordance with the provisions of this statement;
- iii. As inconveniences to national or institutional interests are all offers or the only one submitted. The declaration of inconvenience shall be based on economic, technical or legal reasons;
- iv. By not reaching an agreement at the negotiating stage;
- v. If, once the contract has been awarded, it is found that there is inconsistency, simulation or inaccuracy in the information submitted by the successful tenderer, detected by the Delegate Entity, the highest authority of the delegate or its delegate, in the absence of other qualified tenders that are technically and economically in the national or institutional interests, the proceedings shall declare the procedure desert without prejudice to the commation of the corresponding actions against the failed successful tenderer; And
- vi. As the contract is not concluded for reasons attributable to the successful tenderer, provided that it is not possible to award the contract to another bidder.
- vii. For reasons of force majeure defined by the legislation in force in Ecuador.

Once the International Public Competition process has been declared deserted, the highest authority or its delegate may arrange its file or reopening.

The declaration of desert or cancellation will not result in any compensation or compensation to the bidders.

k) Stage: Contract Subscription

Once the International Public Competition process has been awarded, the contract will be signed in accordance with the following procedure:

1. Term for contract subscription

The Contract will be entered into with the Management Company within the period provided for in the Schedule of the Competition; for which, within this period, the activities will be fulfilled in the terms detailed in the subsequent numerals:

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- i. With the notification of Award, the Winning Bidder/Adjudicate has a period of up to ninety (90) days from the date of notification of the Award Resolution, to submit all supporting documentation for the subscription of the contract, during which period must maintain the Current Offer Seriousness Guarantee;
- ii. The contract together with the annexes and documents specified therein, after being signed by the parties, shall be protocolized to notary Public; And
- iii. Copies of the protocolized contract must be organized into as many bodies or volumes of 200 seals as necessary to complete all documentation that is integrated into the contract; and, an index will be added with the determination of the content of the Contract and its Annexes and the final numbering of the documents that make up it, in relation to the volume in which they are incorporated.

2. Requirements to proceed with the subscription of the Contract

- i. Within the period provided for in numeral (i) of the previous paragraph, the Successful Tenderer shall notify in writing to the Secretary of the Technical Commission, on the acceptance of the content of the Contract, prior to the subscription of the Contract. The same notification shall be accompanied by the requirements set out in the subsequent numeral.
- ii. To the notification document referred to in the previous numeral, the Awarder shall provide the following requirements:
 - a. The original and a certified copy of the Warranties:
 - i. Warranty 1. Faithful Performance of the Contract in accordance with the relevant clause in this specification.
 - ii. Warranty 2. Liability during construction in accordance with the relevant clause in this specification.
 - iii. Policy of all risks, in accordance with the provisions of the relevant clause of this statement.
 - b. Original documents or certified copies, under the Applicable Legal Regime, that were provided in simple copies in the Review Phase of Bidder Eligibility Requirements.
 - c. In the event that the successful tenderer is a foreigner, all documentation equivalent to that listed in the Eligibility Requirements must be attached, in accordance with the provisions of the legislation in force in his country

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of origin, having to detail the legal regulations governing the requirements required. Such documentation must be duly submitted apostilled or legalized as appropriate and translated into Spanish by duly authorized translator.

- d. The other documents indicated in the Contract as enabling.
- e. All costs and expenses incurred up to the implementation and subscription of the Contract shall be the exclusive account of the Awarder.

13. Failed Adjudication's Declaratory

- a. In the event that the Successful Tenderer does not conclude the Contract within the time limit provided for in the Award Resolution for reasons attributable to him, the Technical Commission shall inform the Highest Authority or its Delegate in this regard and recommend the declaration of a Failed Adjudicate, an authority that will accept such recommendation by issuing the respective Resolution, without prejudice to the execution of the Guarantee of seriousness of the tender. The time limit for the conclusion of the Contract may be extended by decision of the Delegant Entity or at the request of the Awardee, provided that these are unseeable situations, fortuitous case or force majeure, for which a report from the Technical Commission will be available in advance. In no case will the period for the subscription of the contract be extended for more than 180 days from the notification of the Award decision.
- b. Within forty-eight (48) hours after the respective notification of the Failed Adjudication Resolution referred to in the previous verbatim, the process pursuant to this Schedule will immediately be restarted, from the call for Negotiation with the Bidder to follow the Failed Bidder, in the order of prelation provided for in the Evaluation Act , to whom, if applicable, the Contract shall be awarded, by Resolution signed by the highest authority or its delegate.
- c. In the event that the Successful Tenderer has been an Offering Consortium or Offering Consortium Commitment, the status of Failed Award will affect all members of the Consortium or Offering Consortium Commitment; And
- d. In all cases where the Successful Tenderer and his subsequent successful tenderers are declared Failed Bidders, in accordance with this Fold, the



Technical Commission shall provide for the immediate implementation of the Bid Seriousness Guarantee.

- e. Failed Bidders will be registered in a database of the Ministry of Transport and Public Works, so that their participation in subsequent projects is considered or not.

14. Timeline of the International Public Competition

- a) The Contest Schedule is set out in Annex No. 4 ("Contest Timeline") to this Fold.
- b) The dates provided for in the Schedule of this International Public Competition may vary depending on the events that occur in accordance with this Fold, for which the Technical Commission will issue the corresponding Act of modification of the schedule.
- c) Where nothing different is expressly determined in this Fold, all the time limits set out thereof shall start from the day following the date on which the relevant act is notified, as set out in the file by the Secretary of the Commission.
- d) Each of the Stages of this International Public Competition will take place between the dates provided for in the Contest Schedule.
- e) To the issuance of the Eligibility Requirements Qualification Act; Technical and Economic Offer, you will be given a period of challenge that will conclude with the corresponding decision of the Highest Authority or its delegate.
- f) At any time between the Call and 24 hours before receipt of the tenders, the Highest Authority or its delegate, ex officio or on the recommendation of the Technical Commission, may declare the International Public Competition cancelled, by due reasoned resolution.
- g) Changes to the schedule may be made at any time during the contest until the time of award.

15. Right to Challenge

- a. The right of Challenge in this International Public Competition is established in order that each Bidder may require review of the offer(s) by the Technical Commission on certain decisions taken, in order to ensure legal certainty for all Bidders;
- b. Each Bidder, by submitting their Offer, consents, represents and agrees that:

- I. The only mechanisms for reviewing decisions taken in the Public Competition shall be those provided for in this Fold.

15.1. Cases of Origin of Challenge

- a) The right of challenge shall be exercised in respect of the decisions taken in the Public Competition, on account of those objective review criteria provided for in this Fold, i.e. the decisions taken through the respective Qualification Acts of the Technical Commission, in the evaluation phases of Eligibility Requirements, Technical Offer and Economic Offer will be challenged.

15.2. Challenge and processing requirements

- a. In order for a Challenge to be admissible, the Offerer must meet the following requirements:
 - I. The challenge must be submitted in writing by the representative of the Offerer to the Chairman of the Technical Commission, within three (3) days from the date on which the corresponding Qualification Act had been published on the MTOP Website.
 - II. The specific determination of the decision taken on the subject of the Challenge.
 - III. The Offerer shall determine exactly, including in the respective reasoning, the reasoning of this Fold and/or its Annex which it deems would have been infringed in the decision taken.
 - IV. The information and/or document of your Offer, with the signaling of the relevant seal(s), justifying compliance with the requirement, requirement, condition, limitation or basis to which the contested decision relates.
 - V. Where the challenge relates to an offer other than its own, it shall indicate the parameters of the tender specifications and/or its annexes which would have been infringed in the decision taken.
- b. In compliance with the requirements set out in the previous paragraph, the secretary of the Technical Commission shall have 3 working days to transfer the challenges to the other Bidders, granting them a period of three (3) days to plead in defence of their rights and interests.
- c. At the end of the period provided for in the preceding paragraph, the Technical Commission shall adopt the relevant decision on the challenge within five (5) days.



16. Constitution of the Single Object Anonymous Company

The Contract for the establishment of the Anonymous Company for the formation of the Management Company, among the clauses deemed to be stipulated, shall include those dealing with:

- a. The obligation to have the Contract Awarder, as an irreplaceable shareholder. If the competition is awarded in favour of an association or consortium commitment, the Management Company shall be made up of the members of that consortium or association commitment and shall retain the same percentage of participation.
- b. The percentage of the shareholding package of that Successful Tenderer shall reach at least 80% for the formation of the Management Company.
- c. Unique Social Object: form a Management Society for the execution of the "Design, Financing, Construction, Operation and Road Maintenance of the Buena Fe- Babahoyo-Jujan corridor".
- d. The minimum subscribed capital shall be 10% of the reference Concession Investment Budget (CAPEX).

Section IV: General Conditions of Preparation of Offers

This section presents the general conditions for preparing tenders:

- a. For the preparation of the Offerings, it is the responsibility of the Bidders to carry out, at their own risk, the thorough study of this instrument and all documents of this Fold and all those necessary for the preparation of the Offer; and,
- b. By virtue of the content of the above-mentioned wording, Bidders may not argue, at any stage of this International Public Competition, that they are not known or lack of information about the conditions necessary to design, finance, build, operate and maintain, as appropriate, the Project liable for this Fold.

17. Effect

Offer and Offer Seriousness Guarantee must be submitted as effective until the date provided on the Schedule for the subscription of the Contract.

The awarded bidder will have to remain in effect of its offer and the Warranty of Seriousness thereof, until the subscription of the Contract.

18. Costs and expenses directly associated with the preparation of the offer

All expenses and costs, direct and indirect, associated with the preparation and presentation of your Offer shall be borne by the Bidder. In no case shall the Ecuadorian State, the Ministry of Transport and Public Works or any other related public entity be liable for these costs and costs, even if this International Public Competition has been cancelled or declared desert; in no case may the offerer make a claim in this regard.

19. How to prepare offers

19.1. Language and Authenticity of documents

- a. The Offers and all documents added to them must be written in Spanish;
- b. Where the document is originally written in a language other than Spanish, the copy of the document must be accompanied in its original language, accompanied by the Spanish language translation. When submitting the offer in this International Public Competition, the translation will not require any formality; however, the Offeror to be Awarded, is obliged to submit to the Technical Commission, prior to the subscription of the contract, the document in its original version duly authenticated and legalized and, the translation with the formalities that the Applicable Legal Regime requires, without any modification to the content that served as the basis for the Evaluation of the Offer. If adulterations are found to the documents, the corresponding guarantees shall be implemented; And,
- c. Bidders will submit their offer consisting of the envelopes of eligibility requirements that includes the legal, technical and economic – financial requirements, the technical offer; and, the economic offer, (according to the following table, on the dates provided for in the schedule, at the place and time provided for in the Call).

Table No. 2

Bidding Presentation



ITEM	PRESENTATION OF OFFERS
Eligibility, Technical Offer and Economic Offer Requirements (1 envelope)	
1	Form No. 1 Presentation of the Offerer (Forms 1A, 1B)
2	Form No. 2 Experience (Forms 2A, 2B)
3	Form No. 3 Preliminary draft
4	Form No. 4 Budget
5	Form No. 5 Valued Timeline
6	Form No. 6 Financial Economic Information (Forms 6A, 6B, 6C, 6D)
7	Form No. 7 Economic Offer (Forms 7A, 7B, 7C)
8	Form No. 8 Financial Modeling
9	Offer Seriousness Guarantee in the amount of USD. 1,500,000.00 (One million five hundred thousand U.S. Dollars)
Presentation:	
<ul style="list-style-type: none"> - Physical file 1 original and 2 copies - Digital File (3) 	

19.2. Currency

Any monetary value shall be expressed in United States dollars in the Offerings.

19.3. Formalities for the delivery of offers

- a. The Offer will be submitted by the Bidder, according to the Schedule of the International Public Competition and with the content provided for in this Fold, in an original Envelope containing the Eligibility Requirements (On 1 A), the Offer Seriousness Guarantee (On 1 B) and the Technical Offer and the Economic Offer (About 1 C);
- b. Along with the corresponding original offer, that is, the one containing the original signatures and rubrics of the representative of the Bidder, two copies



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of the Offer will be accompanied, indicating on the cover the copy number to which it corresponds. The information must be delivered in magnetic file;

- c. The envelope cover shall conform to the formats set out in Annex No. 6 ("Envelope Cover Format") of this sheet.
- d. Each sheet contained in the Envelopes shall be numbered and rubricized by the representative of the Offerer;
- e. Blank pages must contain the legend "Blank Page", so that it is not possible to add any information in those spaces; And
- f. All documents contained in the Offer shall be submitted without amendment, strikethrough or conditioning of any kind.

20. Request for clarifications, content clarifications and convalidation of errors in a way that

- a. If, in the opinion of the Technical Commission, details are required in the content of the Offerings or shape errors are detected, the Offerings may be clarified, specified and/or validated by the Bidders, in accordance with the procedure provided for in this Fold;
- b. The Technical Commission, within the procedure set out in this Fold, may require bidders any clarification to their Offerings, in compliance with the principles of transparency of the Public Competition and equality of Bidders; And
- c. The Technical Commission shall analyse each of the Tenders submitted at the appropriate stage of the Public Competition, in order to determine all errors in a way that exists in them, in order to ensure that these defects do not constitute reason to reject the Bids.

21. Rejection of Offers

- a. Regardless of whether the International Public Competition may be declared deserted in accordance with this Fold, it is the technical commission's attribution to reject one or all of the Tenders submitted, in accordance with the provisions of this provision of the Fold;
- b. At any time during the International Public Competition, the Technical Commission may reject the Offers submitted for the following reasons:
 - i. If the Offer has been delivered in a place other than that set or after the date or time set for this purpose.

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- II. If the period granted by the Technical Commission has expired, the form errors have not been corrected or the required clarifications have not been provided, or if the clarifications have been delivered to them in a place other than that fixed or after the time or date established for this purpose.
 - III. Whether the content of the submitted forms differs from those requested in this Fold.
 - IV. If the Offerings or their content have been conditioned.
 - V. If the requirements, terms, conditions, limits or, in general, the basis of the International Public Competition have been altered.
 - VI. If documents with strikethroughs or unassured amendments are submitted.
 - VII. If, in any way, the Technical Commission become aware, at any time of the International Public Competition, of the falsity or adulteration of the information or documentation presented in the Offer.
 - VIII. If Alternative Offers or more than one Offer are submitted.
 - IX. As inconveniences to national or institutional interests are all offers or the only one submitted. The declaration of inconvenience must be based on economic, technical or legal reasons. The opportunity for such a declaration may be made until before the award of the Delegated Management Contract.
- c. The Ministry of Transport and Public Works shall in no way be liable to the Offerer or third parties for the exercise of its attribution to reject the Offers at any time of the International Public Competition.

CHAPTER TWO: TECHNICAL BASES

Section V: Technical Bases Overview

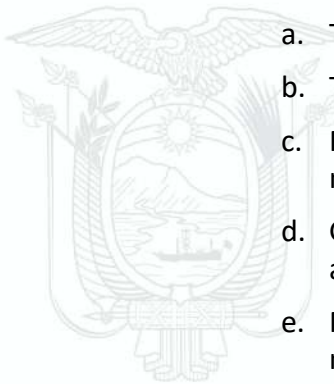
22. Object

- a. This chapter of the Fold shall govern all technical and functional aspects to be considered and used by Bidders in the preparation of their Offerings;
- b. The Bidder, by reason of the submission of its Offer and in the event of entering into the corresponding Contract, shall be obliged, to comply strictly with the technical and functional aspects contained in this chapter and in the Technical Annexes of the Fold, presented in its Offer, without prejudice to the obligation of the Private Manager, to comply with the Improvements that become authorized in accordance with the Fold and the Contract;



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- c. The specific purpose of the technical bases, in the context of the preparation of the Offers in the Competition, is:
- I. Define the scope of the Works to be built in the corridor Buena Fe – Babahoyo – Jujan.
 - II. Specify the content of the Technical Project of the Offer that must be prepared by the Bidder.
 - III. Establish the minimum requirements of the Maintenance and Operation Plan that must be prepared by the Offerer.
 - IV. The technical project to be submitted by the offeror will have a preliminary draft scope, which will allow him to make a preliminary assessment of the costs associated with the construction and maintenance stage of the road for the development of his proposal should consider the following technical areas:
 - a. Technical scope of project works
 - b. Traffic Analysis and Projections
 - c. Road design (main route, accesses, road solutions and other works needed in the project)
 - d. Geological and Geotechnical road corridor, road solutions, structures, and other necessary works in the project.
 - e. Main corridor pavements, accesses, road solutions, and other works needed for the project
 - f. Existing and new structures
 - g. Existing and new drainage
 - h. Horizontal and vertical road signage
 - i. Road safety
 - j. Environmental
 - k. Toll stations
 - l. Relocation of services
 - m. Lighting
 - n. Expropriations
 - o. Plans
 - p. Road maintenance plan for the Delegation period.
 - q. Operation and Administration (Central Matrix and Toll Stations)



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- d. The Offers, in the technical and functional aspects, shall be prepared within the applicable legal framework of this Public Competition; And
- e. In particular, each Bidder, and where appropriate the Management Company, shall be subject to the technical specifications of the Studies and Designs, which may be modified and improved in the Technical Project of the Offer and the Final Technical Project, which must contain all the rules that it intends to use and / or has used to prepare the said project.

23. Project reference and contextualization information

- a. Technical Assessment Report (Annex 1) of the "Design, Financing, Rehabilitation, 4-Lane Extension, Construction, Operation and Maintenance of the Buena Fe – Babahoyo - Jujan" road corridor with a length of approximately 131.75km., the same one that considers the scope that is intended to be obtained in the execution of the project;
- b. Technical studies of the Santo Domingo – Jujan corridor and Section 1 of the Quevedo Road Ring. The information and documentation prepared are reference and may be used by The Bidders at their absolute risk. The Ministry of Transport and Public Works, does not assume, by making available this information and documentation any responsibility for its completeness and accuracy, the application of which is the sole responsibility of the Offerer to ensure the correct execution of the works of the Buena Fe – Babahoyo – Jujan road.

24. Technical premises for the Offer

- a. For the preparation of the Technical Offer, the Offerer shall meet the requirements and scope of Annexes 1 and 2; And
- b. Technical Offers should be developed, such as a study to update or improve the technical information provided by the MTOP; however, the Bidder should make sure that the level of development of the Technical Project of the Offer allows it to adequately develop its Economic – Financial Plan. The minimum content of the Technical Proposal for the Offer shall be that set out in Form 3.

24.1. The bidder, for the preparation of his technical offer, should consider the following steps:

- i. **Organization Stage - Definitive Technical Studies**



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Within the Organization Stage, the development of the Definitive Technical Studies is contemplated, the same ones that will begin with the signing of the Contract and that must be received with an Act of Conformity of the MTOP.

In the Negotiation phase and in the Organizational Period, the socialization of the Project will be carried out, which must be worked jointly between the Delegated Entity and the Management Society. The requirements of the communities will be met according to the content of their orders and the investment that is required, in a coordinated manner between the Delegate Entity and the Management Company.

The following aspects should be considered for the preparation of the studies:

a. General aspects:

- I. The Management Company shall prepare the Final Technical Studies within the period set out in the document called "Valued Timeline" (Form No. 5) of the project; this period must in no case exceed hundreds eighty (180) days from the signing of the Contract.
- II. Definitive Technical Studies shall mean the set of studies and documents, such as, technical reports, general and detail plans, technical specifications, technical reports of specialties, quantities of work, manuals, among others, through which it is unequivocally defined and specified, all the physical, spatial and technical characteristics, which make up the physical infrastructure, facilities and equipment, sufficient and necessary for the correct execution and control of the Works of the Road Corridor Good Faith – Babahoyo - Jujan, as set forth in this Fold.
- III. The Final Technical Studies will correspond to the development, at the level of detail, of the Preliminary Draft Offer submitted by the Awardor in the Public Competition, and do not constitute a limitation for the Management Company to expand or deepen any study necessary for the correct execution and control of the Project Works.

b. Standards for the preparation of Definitive Technical Studies:

- I. The development of the Definitive Technical Studies shall be in accordance with the applicable standards of the Applicable Legal Regime and the applicable technical standards and requirements in accordance with numeral 6 of this Fold.
- II. The Delegate Entity may, during the development of the Definitive Technical Studies, request the Management Company to specify, clarify and/or amend, with the aim of fulfilling the contractual technical conditions that allow the Project Works to be properly defined. For this



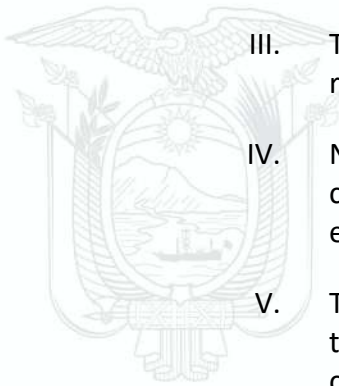
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purpose, the Management Company will develop and execute at its own expense and cost the studies that are necessary.

c. General scope and documents of the Definitive Technical Studies:

- I. The Management Company shall carry out, at its own risk and cost, all the studies and prepare all the documents that are necessary for the execution and control of the Project Works, in accordance with the requirements contained in the Fold, the documents and their Technical Annexes.
- II. It is the risk of the Management Society the quality of the documentation delivered in the Definitive Technical Studies. Therefore, it assumes at its sole expense, cost and responsibility the definition and implementation of the corrective measures that are necessary to remedy such errors, during the term of the contract.
- III. The Audit and Supervision during the term of the Contract may make recommendations to the Final Technical Studies.
- IV. No errors or deficiencies in the Definitive Technical Studies are considered, defects in the Project Works resulting from a Force Majeure event.
- V. The tasks to be carried out by the Management Company according to the observations made by the Audit or Supervision, pursuant to the non-compliances related to the scope of the Final Technical Studies, do not imply, in any case, the existence of any Change Order. On the contrary, they shall be understood as part of the ordinary performance of the obligations of the Contract, even if this means that the Management Company defines and executes works above the tenders or modifications therein, in order to comply with the requirements and requirements provided for in this Fold.
- VI. The Management Company shall submit, to the Contract Administrator, the solutions it deems appropriate for the Project Works under construction and the development of the Operation and Maintenance, which allow to correct the defects detected in the field, derived from the Final Technical Studies, always depending on the improvement of the Project, for the execution of the solutions must have the authorization of the Contract Administrator upon recommendation of the Audit or Supervision.

d. Other documents of the Definitive Technical Studies.



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- I. As part of the Definitive Technical Studies, all documentation associated with obtaining the administrative permits and authorizations required for the com/start of the Construction, suchas:
 - Environmental Impact Studies.
 - Predial Study, with lifting of Expropriation Data Sheets.
 - Lighting
 - Relocation of services affected by the project.

e. Presentation of Definitive Technical Studies

- I. For the formality of the technical conformity of the studies, the Management Company must give to the Contract Administrator, three physical copies and in magnetic medium the Definitive Technical Studies.
- II. The technical conformity of the components of the final study may be done in part in order to optimize times and initiate the construction processes of the corresponding component, provided that they meet all the necessary approvals and permits (environmental, expropriations, etc.).
- III. The Management Company will deliver the Definitive Technical Study by classifying it by components and absc reasons.
- IV. With the technical conformity of the Definitive Technical Studies, the Management Company must deliver a 3D animation of the main works, including a route of the Route.

ii. **Construction Stage**

a) **Rehabilitation of the existing road**

Tuning

The scope of these work is to carry out a set of activities on the existing route, which allows to provide functionality and improve above all the current service levels and road safety, considering that it will be in constant provision to the various users, while executing strong investments during CAPEX programming.

Rehabilitation

Within the sections that require extension of the cross section, the existing roadway, it will be necessary to perform some kind of structural reinforcement on the current pavement and in other cases incorporate layers of leveling to tie with the geometric design of the road extension, as well as raise the level in certain sectors by flooding.

This item is further developed in Annex 1, Technical Assessment Report.



b) Road Expansion Construction

Considering the current operation and from the point of the level of service and road capacity the Buena Fe – Jujan road corridor needs to be expanded with the incorporation of additional lanes and/or section widths to ensure road service and safety, Annex 1 Technical Assessment Report describes the scope provided for in this step.

The project provides for road maintenance during the term of the concession, which will be carried out on the basis of the maintenance plan proposed by the Management Company validated by the MTOP and supported by the Final Technical Studies; it must comply with the established Quality Indicators, in order to offer adequate levels of services to the users of the track.

I. With the implementation of the project, the Management Company must achieve the standards in accordance with the Final Technical Studies, and according to the requirements and procedure provided for in this Fold.

II. The Management Company will additionally execute all the complementary works and accessories that are necessary for the optimal operation of each of the Works of the project object.

III. For the Technical Offer, the Works described in Annex 1 should be considered.

a. Toll Stations

The toll collection system will be mixed from the inicio of the concession, so the Management Company should consider the implementation of the same number of manual collection booths and toll booths per carriageway.

In order to reduce waiting times and optimize travel times, the Management Company will carry out a progressive technological modernization of the toll management system, according to the levels of the Region, for which it will evaluate the implementation of technologies that promote the free vehicular flow from the year 1 2 and 13 of the delegation period, depending on the growth of the TPDA and the behavior of its cash flows.

However, in the event that the growth of the TPDA and the behavior of its cash flows make it possible, the Management Company will propose to technologically modernize the toll management system, before the age of 10.



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b. Term of Execution of Project Works:

I.The works contemplated by the project as part of CAPEX must be implemented within the following timeframes:

**Table No. 3
CAPEX programming**

CAPEX EN VALORES CONSTANTES			AÑOS											
ITEM	DESCRIPCIÓN	COSTO	1	2	3	4	12	13						
1	REHABILITACIÓN	\$ 41 409 777.52	24%	\$ 9 938 346.60	0%	\$ -	26%	\$ 10 766 542.15	50%	\$ 20 704 888.76	0%	\$ -	0%	\$ -
2	AMPLIACIÓN VIAL	\$ 155 850 868.91	0%	\$ -	30%	\$ 46 755 260.67	50%	\$ 77 925 434.46	20%	\$ 31 170 173.78	0%	\$ -	0%	\$ -
3	SOTERRAMIENTO	\$ 5 658 312.16	0%	\$ -	0%	\$ -	20%	\$ 1 131 662.43	80%	\$ 4 526 649.73	0%	\$ -	0%	\$ -
4	ESTACIÓN DE PEAJE ZAPOTAL (8 a 14 VÍAS)	\$ 5 623 074.57	70%	\$ 3 936 152.20	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	30%	\$ 1 686 922.37
5	ESTACIÓN DE PEAJE SAN JUAN (8 a 16 VÍAS)	\$ 7 273 356.87	70%	\$ 5 091 349.81	0%	\$ -	0%	\$ -	0%	\$ -	30%	\$ 2 182 007.06	0%	\$ -
6	ESTUDIOS 1%	\$ 4 316 307.80	100%	\$ 4 316 307.80	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
7	FISCALIZACIÓN 1%	\$ 2 158 153.90	9%	\$ 189 658.49	22%	\$ 467 552.61	42%	\$ 898 236.39	26%	\$ 564 017.12	1%	\$ 21 820.07	1%	\$ 16 869.22
8	EXPROPIACIONES	\$ 13 261 046.53	15%	\$ 1 989 156.98	50%	\$ 6 630 523.26	25%	\$ 3 315 261.63	10%	\$ 1 326 104.65	0%	\$ -	0%	\$ -
9	IMPUESTO AL VALOR AGREGADO	\$ 26 674 782.21	11%	\$ 2 816 617.79	21%	\$ 5 666 737.59	41%	\$ 10 886 625.05	26%	\$ 6 835 887.53	1%	\$ 264 459.26	1%	\$ 204 454.99
TOTAL		\$262 225 680.47	11%	\$ 28 277 589.67	23%	\$ 59 520 074.14	40%	\$ 104 923 762.12	25%	\$ 65 127 721.57	1%	\$ 2 468 286.39	1%	\$ 1 908 246.59

II.However, the Offeror according to his expertise may propose a different alternative based on his studies, taking into account the technical requirements of the MTOP, whose construction period may not exceed that provided for in the MTOP project.

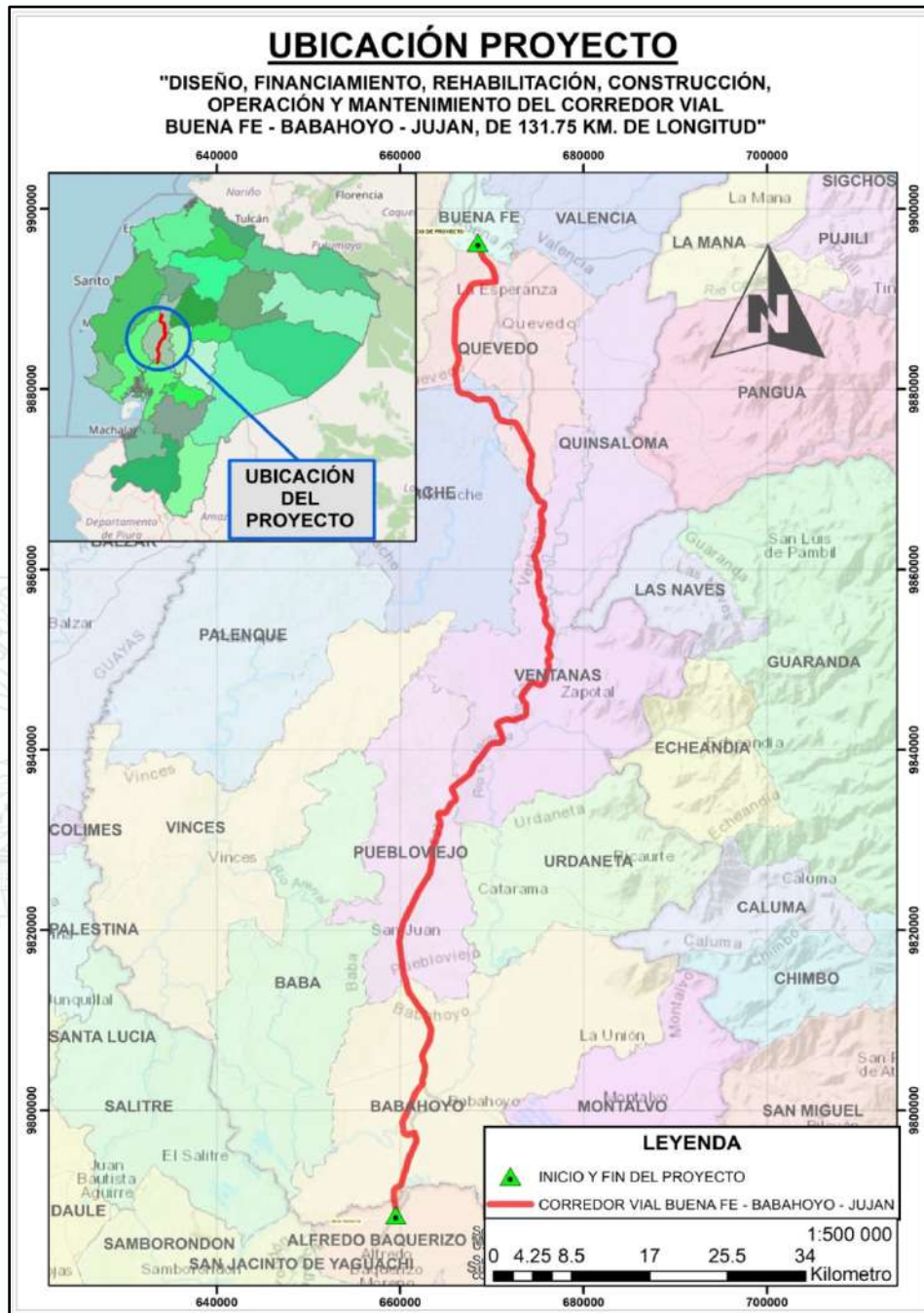
III.For the calculation of the period provided for in this numeral, the date of issuance of the Act of Conformity of Completed Work shall be considered.

IV.In the work schedule, the Offerant shall specify the completion dates of each of the Project Works, dates which, in any case, will constitute one of the benchmarks for fulfilling the obligations of the Management Company.

**Graph No. 1
Location**



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iii. Conservation and Maintenance Stage

The Offer of Staff shall provide a Maintenance Plan, in accordance with the bases provided in this Section and the instructions contained in Annex 1, "Technical Assessment Report" and Annex 2 "Quality Indicators".



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a. General Aspects of Maintenance

- I. The main objective of the Maintenance is to preserve in excellent functional and operational conditions complying during the Ordinary Term of the Contract with the Quality Indicators described in Annex 2 to this specification. The Management Company must comply at all times with the terms of its Conservation and Maintenance Plan that has been incorporated into the Final Technical Studies.
- II. The Management Company may request the revision of the Maintenance Plan, provided that the result of this variation improves the functional conditions.
- III. The Management Company shall establish in its Maintenance Plan those activities that guarantee the continuous and reliable operation of the Project to provide the service provided for in this Fold and its Annexes.
- IV. Without prejudice to the content of the Maintenance Plan, the Management Company shall, in general, be obliged to:
 - a) To preserve in good physical and functional condition, even from the aesthetic, functional and operational point of view of the Movable and Immovable Goods, machinery and equipment, as well as to ensure adequate hygiene conditions, safety, occupational health, environment and community relations.
 - b) Repair or replace, at your expense, any damaged or damaged furniture, equipment or installation, on its own initiative or when indicated by the Ministry of Transport and Public Works.
 - c) Replenish in a timely manner whenever the furniture and equipment whose service life has expired is necessary.
- V. It is the obligation of the Management Company, to ensure that the functional and operational conditions of the goods, machinery, and their equipment are optimal throughout the Term of the Delegated Management Contract, including the period of Reversal of The Goods Affected to the State.
- VI. It constitutes the Obligation of the Management Company, to carry out a permanent and complete inventory of the Assets Affected up to the date of Reversal to the State; so that the aforementioned Inventory includes the replaced movable goods and equipment, in compliance with one or more of its Maintenance obligations.
- VII. The Management Company will design and update a preventive maintenance plan, which will execute it, including all those replacements of Equipment and Furniture that are necessary, in such a way that the



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functional and operational conditions of the infrastructure, facilities and equipment are maintained throughout the term of the Contract.

- VIII. Likewise, the Management Company will execute on each occasion that is required, or the Maintenance Manuals specify, the corrective maintenance actions that are necessary to respond to the maintenance requirements arising from the finding of a lack or failure in the functional or physical conditions of the infrastructure, facilities and / or equipment of the Affected Goods of the Good Faith Road Corridor –Babahoyo - Jujan.
- IX. To carry out the maintenance activities, the Management Company will at the time have sufficient and properly trained staff and with the facilities, workshops and wineries in which the necessary accessories are available to comply with the Maintenance Plan.
- X. Preventive maintenance activities should be carried out on a daily basis within regular planning for this purpose.

CHAPTER THREE: ECONOMIC BASES

Section VI: Economic Basics Overview

25. Object

- a. This Section of the Fold shall govern the economic aspects to be considered and used by Bidders in the preparation of their Offerings within the Public Competition;
- b. The budget contained in this Fold is reference, so the Economic Offer submitted by the Bidder must conform to its economic modelling and is of its sole risk;
- c. The Bidder must consider in its offer the toll rate established in the Public Project, indicated in the Table of Premises for income calculation (USD. \$1.25 de the two Tolls Zapotal and San Juan). The other rates should be indexed on the basis of Table 16, Vehicle Classification Detail stipulated in the Economic Report.
- d. The Bidder, by reason of the submission of its Offer and in the event of entering into the corresponding Delegated Management Contract, shall be obliged, to comply strictly with the economic aspects contained in this chapter and in the Economic Annexes, without prejudice to the improvements proposed in its Offer and in the negotiation phase;
- e. The specific purposes of the economic bases are:



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- I. Establish the essential obligations and rights of the Offerer associated with the economic and financial aspects of the Project.
- II. Specifying the content of the Economic – Financial Plan presented by the Offeror shall at least contain the following information:
 - (a) In detail and for the entire Ordinary Contract Term:

Detail
1. Income
2. Financing
3. Projected investments (CAPEX and OPEX)
4. State of Losses and Earnings
5. Cash Flow (pure and investor evaluation)
6. Projected balance

- (b) The discount rate proposed by the Delegated Entity, which is contained in the Economic - Financial Report, should be used for the preparation of the Economic-Financial Plan.

Form No. 7 "Economic Offer" and Form No. 8 "Financial Modeling" of this Fold contains reference information so that the Offerer can prepare his Economic-Financial Plan.

The Awarder's Economic-Financial Plan, after variations resulting from the Negotiation, will be added to the Contract as an integral part.

26. General rules

26.1. Income from the Management Society

- a. The Management Company shall obtain income derived from:
 - i. The collection of the toll fee paid by the User for the Mandatory Services, in accordance with the terms and conditions provided for in the Fold.
 - ii. The collection from the exploitation of the Optional Services, which have been authorized by the Delegated Entity.
- b. The proceeds of the Project will be considered owned by the Management Company.
- c. Proceeds from the project as a result of such transactions may not be applied for purposes other than the subject matter of this Agreement.



26.2. Revenue from toll rate

- a. The collection of the Toll fee will be made by the Management Company, directly to the Users of the road, in accordance with the requirements, requirements, terms, conditions, limitations and more bases provided for in this specification and in the contract.
- b. The toll fare will be collected at two toll stations, one station located in the Zapotal sector; and the other station located in the San Juan sector. Toll stations will be bidirectional, i.e. the charge will run in two ways.
- c. The Management Company will initiate the collection of the toll station fee, in the Zapotal sector, from nine (9) months after the subscription of the contract.
- d. The Management Company will initiate the collection of the fee of the toll station, Sector San Juan, which is established that it will be from (9) months after the subscription of the contract.
- e. The Management Company shall maintain the toll stations operating at the optimum level in accordance with the Technical Annexes;
- f. It is for the Management Company to take all necessary measures not to affect the normal vehicular flow;
- g. Toll rates will be approved by the Delegate Entity;
- h. For the collection of the toll fee, the Value Added Tax established in the legal regulations in force in Ecuador shall apply, as determined by the tax authority; and,
- i. The "T" factor of the toll rate shall be carried out in accordance with the criteria set out in the table below. Factor "T" (USD 1.25 dollars for Zapotal and San Juan tolls).

Table No. 4

Toll Rates

TYPE OF VEHICLE		TOLL RATE CALCULATION	APPLIED RATE ZAPOTAL PEAJE (USD) 1,25	FIXED RATE APPLIED SAN JUAN TOLL (USD) 1,25
1	Motorcycle	0,20 x T	\$ 0,25	\$ 0,25
2	Light vehicles	1 x T	\$ 1,25	\$ 1,25
3	Vehicles + trailer	1,5 x T	\$ 1,88	\$ 1,88
4	Bus	2 x T	\$ 2,50	\$ 2,50
5	2-axis heavyweights	2 x T	\$ 2,50	\$ 2,50



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6	3-axis heavyweights	3 x T	\$ 3,75	\$ 3,75
7	4-axis heavyweights	4 x T	\$ 5,00	\$ 5,00
8	5-axis heavyweights	5 x T	\$ 6,25	\$ 6,25
9	Weighed 6-axis or more	6 x T	\$ 7,50	\$ 7,50

26.3. Revenue from Optional Services

- a. The Management Company may organize and provide Optional Services, using for these purposes the Goods of the concession, provided that they have been authorized by the Delegated Entity.
- b. The income derived from the Optional Services will be considered owned by the Management Company.
- c. The revenue from the optional services will be invested in the project.

26.4. Total remuneration and egress

- a. The Management Company has the right to endorse the total revenue arising from the collection of the Toll fee and those that it may receive for the operation of the Optional Services according to the terms, declarations, security, conditions and limitations contained in this specification and the other Transaction Documents;
- b. During the term of the concession, the only income of the Management Company will be the statements of the preceding literal, with which it will cover the costs associated with the Project, including:
 - I. Investment at the operating stage;
 - II. Operating costs;
 - III. Maintenance costs;
 - IV. Financial Costs;
 - V. The costs of Auditing and Monitoring;
 - VI. The costs of expropriating real estate necessary for the project;
 - VII. Taxes (taxes, fees and contributions);
 - VIII. Profitability;
 - IX. Any other costs associated with the execution of the Project and compliance with the obligations under the Contract.

The Offer shall necessarily determine all costs in the structure of the Economic – Financial Plan.



26.5. Hiring

In order to contribute to local development, the Management Company will propose to hire at its own risk and responsibility, one or more natural or legal persons domiciled in the area of influence of the project.

27. Taxes, Fees and Contributions

- a. The activity carried out by the Management Company shall be subject to the general tax regime applicable in Ecuador, the current and future taxes established on it, whether national or local, whatever the tax-collecting body, as well as exemptions, exemptions, tax benefits or exemption tax regimes that may apply;
- b. With regard to the taxes applicable, where appropriate, on infrastructure or assets, they shall be borne by the party holding the right of exploitation during the term of the concession;
- c. If the application of new taxes that fall directly on the Management Company and that generate Relevant Variations is determined, the Management Company shall have the right to require the Delegated Entity to compensate, in the terms set out in the corresponding clause for this purpose; and,
- d. Any taxes, withholdings or levies affecting the payments of the Management Company shall be borne by the Company.

28. General Rule on Financing

- a. It is the obligation of the Management Company to carry out all the activities required to achieve the financial closure of the Project, within the maximum period of twelve (12) months, counted from the date of subscription of the Contract, without prejudice to the beginning of the "Design, Financing, Rehabilitation, Extension to 4 lanes, Construction, Operation and Maintenance of the road corridor Buena Fe – Babahoyo - Jujan" and, any other obligation that corresponds to the Management Company, depending on the schedule contained in the Offer awarded;
- b. The Management Company must prove, to the satisfaction of the MTOP, the fulfilment of the obligation contained in the preceding literal; and,
- c. The Economic – Financial Plan will contain the assumptions and budgets of the Offerant with respect to the components of the Project financed by the Remuneration to the Management Company.

29. Economic Balance - Contract Financial

To monitor the Economic – Financial balance, revisions and updates of the Economic – Financial model of the Project will be carried out based on a periodic evaluation of the cash flow of the pure project and the investor's cash flow, this, with the aim of maintaining the expected return of the investor (discount rate and TIR). The evaluation will be carried out on an annual basis from the signing of the contract.

The following formula shall apply to determine the financial economic balance of the Project:

$$-TIRc + TIRr - (\text{less}) + (\text{plus}) \%$$

TIRc Internal Contractual Return Rate

TIRr Real Internal Rate of Return

Interpretation:

% - (less) - APPLIES COMPENSATION MECHANISMS; only in the case of activation of risks that fall to the Delegated Entity.

% + (plus) - **CONSIDERATION FOR THE DELEGANT ENTITY**, the result of the extraordinary profits of the project once the investor has obtained its expected return (TIRc).

29.1. Assumptions for Compensation

- a. In the preparation of its Economic-Financial Plan, the Offerant will consider and provision the necessary resources to meet the ordinary and extraordinary increases in its costs and expenses for the fulfillment of the obligations and risks assumed by it, so that no variation in the costs and expenses provided for in the Economic – Financial Plan changes the Economic – Financial balance of the Fold and the Contract.
- b. In the preparation of its Economic – Financial Plan, the Offerant will consider and determine the total revenue it requires to obtain its profitability and cover all egresses necessary for the execution of the Project, in accordance with the terms, declarations, security, conditions and limitations contained in the Fold and the other Transaction Documents.
- c. In accordance with the statements made in the preceding literals, the Parties agree that compensation can only be made by the Delegated Entity, where detailed aspects are made in the Risk Distribution Table, which is inserted in this Fold, when an Economic – Financial imbalance of the project is created.

29.2. Compensation mechanisms

- a. For the aspects provided for in the risk range, any or a combination of the following compensation mechanisms shall apply interchangeably:
 - I. Cash payment.
 - II. Modification of established toll rates;
 - III. Extension of the ordinary term of the concession under the Contract; and,
 - IV. Deferred rescheduling of the investment or decrease thereof, provided that it does not alter or harm the levels of service to the user.
- b. The choice of compensation mechanism shall be the responsibility of the Delegated Entity, in the event that the Parties do not reach a specific agreement, always in good faith and depending on the continuity in the implementation of the Project.

30. From the Project Surpluses

Project surpluses must be transferred by the Management Company to the Commercial Trust, to the Project Surplus account or sub-account, if the following cases occur:

- a. In the event that the Project generates surpluses in the revenue, these must be transferred by the Management Company to the Delegate Entity within a maximum period of one hundred and eighty (180) days after the end of the fiscal year. In January of each year, revenue assessments of the Final Economic - Financial Plan will be carried out in relation to actual income.

The following describes the mechanism for reviewing and analyzing revenue:

- I. The calculation for the participation of surpluses will be the result of the difference in the revenues of the Definitive Financial Economic Plan and the actual revenue of the Project.
- II. The result of the calculation of this difference is divided for the revenues of the Final Financial Economic Plan and that value forms the basis for the participation of the project surpluses, which will be made once the following ranges are reached:
- III. For the party exceeding [+10%], the two parties shall establish an allocation mechanism.
 $\geq 100\% \leq 110\%$ - 0% of the remuneration for the State on gross income.
 $>110\% \leq 130\%$ x 50% Management Company 50% Delegate Entity.
 $>130\%$ x 60% Delegated Entity, 40% Management Company.

Note: As regards surpluses in favor of the Ministry of Transport and Public Works, these will be used to improve the road network of the Province of Los Ríos.

- b. Surpluses arising from the collection of optional services approved by MTOP.

31. Trust

- a. In accordance with the basis of this Terms and Conditions of the Contract, for the collection of Project Revenue and its distribution, a commercial trust will be established, with an entity authorized to operate in Ecuador;
- b. For the financing of the Project, it is necessary for the Management Company to enter into a Commercial Trust Contract, under which, constitutes an autonomous wealth of Administration, Payment and Guarantee, separate and independent, called the General Project Fund, accepting international standards for this type of concession projects, whose Trustee will be responsible for complying with all the stipulations in accordance with the special instructions given in the Contract of Commercial Trust;
- c. The Parties agree that any and all fees or other amounts that the Trustee periodically charges for its services under the Trust Agreement, as well as any other costs or expenses associated with the Trust Agreement, shall be costs and expenses in charge of the Income generated by the project;
- d. The subject matter of the Commercial Trust Agreement shall include at least the following instructions:
 - i. Collect all the revenue generated by the Concession Project the same as will be registered with the General Project Fund;
 - ii. Record the egresses generated in the Concession Project;
 - iii. Make, from the Accounts and Sub accounts, as appropriate, the payments ordered by the Management Company as a Constituent;
 - iv. To serve as a source of payment to the Financiers, of the obligations incurred by the Management Company;
 - v. Open Bank Accounts so that the Trustees can manage the Resources deposited for the development of the subject matter of the Contract;
 - vi. Allocate the surpluses of the Sub-Account of the General Project Fund in accordance with the particular provisions indicated for each of them in the Concession Contract for the Project;
 - vii. Manage Resources from payments or refunds made by the Delegated Entity in favor of the Management Company, in accordance with the provisions of the Concession Agreement;



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- e. Fees and costs generated from the trust administration will be covered by the income generated by the project.
- f. In accordance with the terms and conditions of the Commercial Trust Agreement, the Management Company will contribute to the General Project Fund in a segregated account, called the "Sub-Account of Control and/or Supervision":
 - I.The resources needed to pay the financial benefits to which the Prosecutor is entitled
 - II.The resources needed to pay for the financial benefits of supervision.
 - III.The resources necessary to pay the financial benefits to which the Trustee is entitled.
- g. During the term of the concession, the General Project Fund shall have the necessary resources to pay for audit and supervision-related benefits for at least one hundred and eighty (180) days.
- h. In the corresponding Commercial Trust Agreement, the Delegated Entity shall lay down the conditions for the administration of the resources deposited in the General Project Fund. Instructions granting powers to the Constituent not explicitly determined in the Contract may not be made.
 - i. The Parties agree that the resources deposited in the General Project Fund shall not be invested or used in any manner other than that specifically provided for in this Agreement and in the commercial trust agreement.
 - j. The Management Company and the Trustee shall prepare the draft Commercial Trust Agreement and submit it to the Contract Administrator, who shall make any comments it deems necessary under this Agreement and the Applicable Legal Regime. Comments made by the Contract Administrator will necessarily be collected by the Trustee.

Section VII: Graduate of the Management Society

32. Project Investments

- a. Bidders must submit in their Economic – Financial Plan a projection of the investments to be made during the entire term of the Contract to meet their contractual obligations;
- b. Project Investments include Equipment Works and all components needed to get the project up and running (form 7)
- c. For the preparation of the Economic – Financial Plan of the Project, Bidders shall have at their disposal as reference information the economic – financial

criteria set out in Annex 3 "Project Financial Economic Assessment Report" and Form No. 8 of this Fold "Financial Modelling".

33. Investments at the initiative of the Management Company

- a. The Management Company may make investments in infrastructures, facilities and equipment in addition to the necessary investments, at any time during the term of the Contract;
- b. If further necessary investments of this type are required, they will be approved and authorized by the Delegated Entity, which could entitle the Management Company to request the restoration of the Economic – Financial Balance of the Contract and will be compensated through the application of analysis of increased concession deadlines or in turn applying fee increases to vehicle tolls by the Ministry of Transport and Public Works;
- c. New investments made on the initiative of the Management Company shall be entirely of its position and account, including direct and indirect costs;
- d. With regard to the planning of the new investments, referred to in the above-foregoing literals, in the Economic – Financial Plan, the Offerer shall:
 - i. Identify the elements to which the new investments correspond;
 - ii. Technically describe these elements;
 - iii. Justify technically and economically your need;
 - iv. Present the form of financing and amortization; And
 - v. Declare that they will become the property of the State at the end of the Term of the Contract.

34. New investments required by the Delegate Entity: Change Orders

- a. For reasons of public interest, the Delegate Entity may require the execution or provision of works and equipment other than the initial Works and Equipment, through Orders of Variation;

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- b. The modification provided by Means of Orders of Variation shall be subject, where appropriate, to the Economic – Financial balance of the Contract according to the conditions set out in this Specification;
- c. In order to proceed with the new investments on this basis, an Act of Variation must be signed between the Delegated Entity and the Management Company, after a report of Control in which it is technically and reasoned that the Orders of Variation, are not part of the contractual object and must at least contain:
 - I. The scope of modified or required works and equipment;
 - II. The determination of the estimated budget, based on the institutional unit costs of the Delegate Entity at the date of issuance of the Order of Variation; and,
 - III. The term and method of payment of the Order of Variation as a compensation mechanism to maintain the Economic – Financial balance of the Contract.
- d. The Management Company shall rule on the content of the Order of Variation within fifteen (15) days of receipt of the respective notification;
- e. In the event that the Management Company accepts the Order of Variation or does not rule within the period granted in point (d) above, it shall be obliged to execute the works, equipment or services required in accordance with the aforementioned Order of Variation;
- f. The works and services provided for in the Order of Variation must begin their execution within a maximum period of thirty (30) days, unless, due to their size, the Management Company requires the Delegated Entity to make any modification, accompanying at its request a valued program of works. The Delegated Entity may not deny authorization if it is based on sustained technical criteria;
- g. The timely objections of the Management Company in relation to the Order of Variation and any other disputes arose between the Delegate Entity and the Management Company in these cases will be resolved in accordance with the dispute resolution mechanisms provided for in the Contract; and,
- h. In the event that the execution of the Order of Variation is indispensable for the continuation of the Project, the Delegate Entity and the Management Company cannot reach an agreement, the works may be contracted with a third party and subsequently incorporated into the Delegation for their respective maintenance.
- i. Modification of project works and equipment may only be ordered, through Variation Orders, until the fifth year prior to the expiration of the Ordinary



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Term of the contract and in an amount not exceeding twenty percent (20%) Project Investments.

35. Design Egresses

Graduates of the Final Technical Project are those that must be incurred by the Management Company to meet the obligations related to the Definitive Design, which must be properly contemplated and considered in the Offer.

36. Operating and Maintenance Egresses

They constitute operating and maintenance egresses, those that must be incurred by the Management Company, to operate and maintain the Project in accordance with the bases of this Fold, the stipulations of the Contract and the obligations arising from the aforementioned Plan.

37. Funding Egresses

As financing receipts, interest, capital and other bank costs incurred by the Management Company shall be considered, so, for example, if international financing is the tax on foreign exchange outflows and if it is financed by bonds or shares, the payment of coupons and dividends, respectively, shall be considered.

38. Audit Egresses

- a. Audit egresses are those that the Management Company must incur in order to comply with its obligations related to the Audit and, in general, to allow the Delegated Entity the permanent evaluation of compliance with the Contract at the construction stage, in accordance with the requirements, conditions, limitations, terms and more bases of this Statement and the stipulations of the Contract, and,
- b. The Reference Budget for Auditing should be taken as the basis for the Offer.

Section VIII: Tax Regime

39. Tax Regime

- a. The activity carried out by the Management Company will be subject to the general tax regime applicable in Ecuador, therefore, it will be subject to the current taxes and those established in respect of that activity, whether national or local, whatever the collecting body, reception agent or tax collection agent.

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- b. The applicable taxes, where applicable, goods, infrastructure or assets, shall be borne by the Management Company during the term of the Contract.
- c. If the application of new taxes that fall directly on the Management Company is determined, the Management Company shall have the right to require the Delegated Entity to balance the Economic – Financial Balance of the Contract, under the terms and conditions established.
- d. Any taxes, withholdings or levies affecting the payments of the Management Company set out in the Contract shall be at your sole risk.
- e. It is the obligation of the Management Company to contemplate in its Economic – Financial Plan any other costs and expenses associated with the execution of the Project and the fulfillment of the obligations provided for in the Contract, according to its own assumptions and assumptions.

Section IX: Financing

40. Equity and Equity

The Bidder shall consider that, if it is a successful tenderer, it must contribute ten (10%) to the share capital of the Management Company. Reference Budget of concession works (CAPEX), corresponding to the Exploitation Stage, but in no case less than USD 3'000,000.00. This minimum share capital is independent of the percentage required by financiers, which may be higher. The relationship between equity and third-party financing must maintain at least twenty per cent (20%) during the concession period following the completion of the construction of the Project with respect to the relationship between equity and third-party financing to achieve the financial closure of the Project.

For the presentation of the financial modelling of the project, the ratio of equity or equity contribution will be a maximum of 50% of the value of CAPEX.

Third-party financing

The Delegated Entity makes no guarantee in favor of Financistas for the obligations of the Successful Tenderer and/or the Management Company.

- a. To finance the project, the Management Company may use any recognized and regularly used financial modality, instrument and operations in the local and international financial markets, without the need to obtain prior authorization from the Delegate Entity, provided that:
 - I. The risk of financial viability and the risk of financing is clearly established in the Management Company;

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- II. The financier has been registered by the Management Company with the Delegated Entity. Registration shall be made by communication accompanying a copy of the relevant related agreement;
 - III. Warranties linked to the financing of third parties are subject to the requirements, requirements, terms, conditions, limitations and more bases provided for in this specification and contractual stipulations;
 - IV. The financier has been obliged to send to the Delegated Entity on a monthly basis the report on the fulfillment of the obligations in his favor and in charge of the Management Company.
- b. The Delegated Entity does not grant the Management Company any type of credit.

41. Financiers' guarantees and rights

- a. The Delegated Entity makes no guarantee in favor of Financistas for the obligations of the Management Company;
- b. Registered Financiers may assume the Contractual Position of the Management Company:
 - I. In the event of Early Termination of the Contract for reasons attributable to the Management Company or;
 - II. In the event that the Management Company has failed to fulfil its obligations to the Financier.
- c. The Financista(s) may assume the Contractual Position, directly or through a third party, provided that, in accordance with this Fold and the Contract, the Financiers by common agreement, ensure and prove in a timely manner and to the satisfaction of the Delegated Entity that:
 - I. The Project will continue its implementation at the appropriate stage or phase in accordance with the requirements, requirements, terms, conditions, limitations and more bases provided for in this Terms and conditions of the Contract.
 - II. The entity in charge of which the execution of the Project would be fulfilling identical requirements to those who served as the basis for the award in accordance with this Fold, which will require express authorization from the Delegated Entity.
 - III. The Financier shall forward to the Delegant Entity on a monthly basis the report on the status of compliance with the obligations of the Management Company.

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IV.The Financier shall notify the Delegated Entity of its intention to exercise its right to assume the Contractual Position of the Management Company justifying the case.

- d. In the event of early Termination of the Contract, the Delegate Entity shall, within the termination procedure covered by this Terms and The Contract, make the corresponding notification to the registered Financiers;
- e. Within a maximum period of sixty (60) days from the notification of the registered Financier's intention to assume the Contractual Position of the Management Company, the Financista will consider the same documentation required in this Fold for the review of the legal, technical and economic eligibility requirements of the legal entity that would be in charge of the implementation of the Project;
- f. The Delegate Entity within a maximum period of thirty (30) days from the date on which the Financier has submitted the documentation for evaluation will accept or deny, reasonedlly the request. The Delegated Entity shall not deny the request in the event that the proposed person meets the requirements set out in this Fold;
- g. The Management Company may not constitute any guarantee on the public goods subject to the Contract; however, you may grant any warranty on your rights under the Contract, provided that:
 - I.The Management Company requests authorization from the Delegated Entity, in which it justifies that the proposed guarantee mechanisms will not transfer any risk to the Delegated Entity or constitute an obstacle, present or future, to the exercise of the rights of the Delegated Entity, so that the Management Company can fulfil, to the satisfaction of the Delegated Entity, its obligations or, in general , affect the provision of the public service.
 - II.In the event that the guarantee is based on project revenue, the Management Company shall ensure that the guarantee mechanism will not affect the working capital and operational flow requirements to meet operation and maintenance.
 - III.The resources obtained by the Management Company as a result of such transactions are not intended for purposes outside the fulfilment of the obligations it acquires under the Contract.
- h. The guarantees granted without the prior and express authorization of the Delegated Entity or that contravene the criteria determined in this Fold and the Contract, shall be inoponable or ineffective against the Delegated Entity, without prejudice to the establishment of the guarantees, under those conditions, being subject to sanction in accordance with the Contract.



42. Documents that are part of the Contract

All documents of the Public Competition process, including: Fold and its annexes, Offer, Negotiating Act, Guarantees, Project Risk Matrix Table.

43. Risk distribution

- a. The Management Company will execute the Contract at its own risk, in accordance with its Technical Proposal, Economic – Financial Plan and Operation and Maintenance Plan;
- b. For these purposes, and even for those of a non-contractual order, all those who are not expressly attributed to the Delegant Entity, as well as others that are not explicitly excluded from the responsibility of the Management Company according to the terms, conditions and limits provided for in the tender specifications shall be understood as being included in the risks of the activity of the Management Company;

The following Risk Matrix is as follows:

**Table No. 4
Project Risk Matrix**

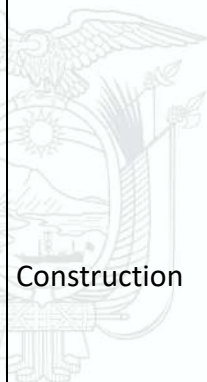
RISK DISTRIBUTION MATRIX BETWEEN THE DELEGATED ENTITY AND THE MANAGEMENT COMPANY		
Aspect	Risk	Responsible
Delegation's assets	Damage, loss or destruction caused to the Delegation's Assets	Management Society
Release of Land Required for the Project (Expropriations)	Payment of compensation for expropriations	Shared: <u>Delegant Entity:</u> Oversteal of compensation with respect to the Offer submitted, only in cases where expropriation (trial) is prosecuted in accordance with the provisions of the law of the matter. <u>Management Company:</u> Payment of compensation for

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		expropriations of land and additional construction necessary for the "Design, Financing, Construction, Operation and Road Maintenance of the Buena – Fe – Babahoyo-Jujan corridor" as well as the increase of areas affected by modification to the designs or by necessity in the construction of the project.
	Delayed socialization for the liberation of project land	Management Society
	Delay in the issuance of administrative acts such as: approval of the Project, review and approval of appraisals, Announcement of the project, declaration of public utility, process of negotiation of the price with the owners of the premises necessary for the execution of the Project and / or the Additional Works, provided that said delay is not due to the failure of the Management Company in the management of expropriation exclusively in its technical and legal components.	Delegant Entity
	Delay in the collection of information and management of expropriation exclusively in its technical and legal aspects, unless there is legal impediment to obtaining such information.	Management Society
Planning and Design	Increased quantities and costs, or construction delays caused by errors or deficiencies in Planning	Management Society



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	and Design with respect to the Definitive Technical Study	
 <p>Construction</p>	Delay in obtaining the Financial Closure of the Project	Management Society
	Delay: Increased costs in connection with the Final Technical Study	Management Society
	Delay in issuing compliance with the Final Technical Study	<p>Shared</p> <p><u>Management Company:</u> Develop and submit to the Delegated Entity the Definitive Technical Study with all the required elements and within the maximum period established for this purpose in the Contract; and</p> <p><u>Delegated Entity :</u> Review and send to the Management Company its observations to the Final Technical Study, as well as agree when such document complies with the required, within the maximum deadlines set out in the Contract.</p>
	Delay in the execution of the Construction from the delivery of all the land necessary for such constructions.	Management Society
	Non-compliance with the technical specifications and construction quality required by the Contract	Management Society
	Construction delays caused by unforeseen archaeological finds	<p>Shared</p> <p><u>Management Society:</u> Inform the Contract Administrator and grant</p>

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		<p>the facilities of access to the site of archaeological finds.</p> <p><u>Delegated Entity:</u> Coordination with public entities for the timely management of archaeological rescue.</p>
	Cost per increase in construction volume originated in Order of Variation	Delegant Entity
 Licenses and Permits	Delay in obtaining licenses and permits necessary for the development of the Project	<p>Shared</p> <p><u>Management Company:</u> Submit the necessary documentation complete and in time to obtain the licenses and permits required for the execution of the Project; and</p> <p><u>Delegated Entity:</u> Coordination with State institutions so that the Management Company obtains environmental permits for the execution of the project. In case of delays does the Delegated Entity assume the risk, only if the delays are not attributable to the Management Company.</p>
Relocation of existing public services	Delays in the execution of the Construction, increased costs caused by the delay in the relocation of existing networks and utilities in the project's area of influence.	<p>Shared:</p> <p><u>Management Society:</u> Identification of public networks and services in the Final Technical Study.</p>

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		Delegated Entity: Management before competent public and private entities of the services to be relocated
Operation and Maintenance	Cost variation in Operation and Maintenance	Management Society
	Variation in Road Maintenance Program in relation to the Definitive Technical Study	Management Society
Equipment and Machinery Replacement	Increase in budget relative to the Final Technical Study	Management Society
Financing	Impossibility to obtain the Financial Closing, delay in obtaining or obtaining the Financial Closing with conditions significantly different from those estimated by the Successful Tenderer when preparing his Bid in the Competition	Management Society
Environmental	Increases in amounts, delays, sanctions or environmental damage caused by non-compliance with environmental regulations and/or with the environmental management plan established in the Environmental Impact Study	Management Society
Other Risks Subject to Compensation	Legal Regime: Variations in the Applicable Legal Regime	Delegant Entity
	Variations in Contract: Force Majeure events or Acts of Authority, including the risk of exchange rate in the event that the country adopts a different currency than the Contract	Delegant Entity
	Rate: no application and/or modification in the tariff scheme.	Delegant Entity
	Variations in investment costs for additional works established by a Variation Order, as well as additional Operating and	Delegant Entity



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	Maintenance costs caused by such additional works	
Quality of Services of the Delegation	Non-compliance with the quality of the Delegation's Services as required in the Contract	Management Society
Demand	Traffic level of vehicles using the Route.	Management Society
Tolls	Delay or partial or total impossibility of collecting Tolls to Users.	Delegant Entity
Strikes	For non-compliance with the levels of services and by collective actions, undertaken by a group of workers consisting of a temporary cessation of the provision of work, that is, refusing to fulfill in whole or in part the work entrusted to them, attributed to the Management Company.	Management Society.
	When by economic decisions, policies adopted by the Government cause the unrest of the population.	Delegant Entity
Vandalism	Where the concession goods are affected by lack of inspection and road safety.	Management Society
	Where, as a result of strikes by economic decisions, policies adopted by the Government cause damage to the assets of the concession.	Delegant Entity
Decrease of works or scope of the Project at the request of the Delegate Entity.	Financial costs associated with the decrease in the investment or scope of the Project.	Delegant Entity