WASTEWATER TREATMENT SYSTEM OF TITICACA LAKE BASIN

Call for Bid
PROJECT CHRONOLOGY

- **Declaration of Interest.** 
  - 03/21/18

- **Expression of Interested from Third Parties** 
  - 06/19/18

- **Call for Bid** 
  - 07/16/18
1. CONTRACT MODALITY: **CONCESSION** (DFBOT)

2. TERM: **30 YEARS**

3. REFERENTIAL INVESTMENT AMOUNT: **S/ 841 MILLION** (excluding VAT).

4. PROPOSED PAYMENTS FORM:
   - PAYMENT FOR INVESTMENTS (RPI)
   - PAYMENTS FOR OPERATION AND MAINTENANCE (RPMO)

5. CO-FINANCING: **BY CHARGE TO THE MVCS* BUDGET TO PAY THE RPI AND RPMO**

*Ministry of Housing, Construction and Sanitation*
GENERAL CHARACTERISTICS OF THE PROJECT

6. MINIMUM NET EQUITY REQUIRED FROM THE CONCESSIONAIRE:
   S/ 252 315 166,00

7. MINIMUM CAPITAL STOCK REQUIRED FROM THE CONCESSIONAIRE:
   S/ 151 389 100,00

8. PERFORMANCE BOND OF THE CONTRACT:

9. COMPETITION FACTOR: LEAST PRESENT VALUE OF THE CONTESTABLE RPI AND RPMO
PROJECT OBJECTIVE 1

Design, financing, construction, expansion, rehabilitation, operation and maintenance:

- Main wastewater pipes,
- Pumping stations,
- Pressure lines,
- Wastewater treatment systems and
- Final disposal
## PROJECT OBJECTIVE 2

<table>
<thead>
<tr>
<th>Location</th>
<th>LPS (liters per second)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azángaro</td>
<td>48.38</td>
</tr>
<tr>
<td>Huancané</td>
<td>14.40</td>
</tr>
<tr>
<td>Lampa</td>
<td>5.98</td>
</tr>
<tr>
<td>Yunguyo</td>
<td>28.00</td>
</tr>
</tbody>
</table>

**Operation and Maintenance:**
- Main wastewater pipes,
- Pumping stations,
- Pressure lines,
- Wastewater treatment systems and
- Final disposal
Technical support to service providers to control the Maximum Admissible Values (VMA) when discharging wastewater into the sanitary sewer system from non-residential connections.
## Project Components

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>DESCRIPTION</th>
<th>LOCALITIES</th>
</tr>
</thead>
</table>
| 1         | Main gravity sewer | 1. Juliaca  
2. Puno  
3. Ilave  
4. Ayaviri  
5. Juli  
6. Moho |
| 2         | EBARS, Pressure lines, WWTP, main sewage outlet pipes and closure of existing infrastructure. |  |
| 3         | Main wastewater pipes, WWPS, pressure lines, WWTP, and main sewage outlet pipes. | 7. Azángaro  
8. Huancané  
9. Lampa  
10. Yunguyo |
SERVICE LEVELS

Included in the corresponding contracts for provision of services

- Quality of the treated effluent water
- Quality in the receiving water body
- Sludge quality
This project is a great challenge for investors since the technology to be implemented shall be tested in extreme weather conditions.

- Average temperatures: 18°C - 8°C
- Maximum monthly average rainfall: 160 mm
- Altitude: between 3,800 y 3,900 m.a.s.l
FINANCIAL ASPECTS

PAYMENTS FOR INVESTMENTS (RPI)

- RPI will be a fixed value paid during 15 years, with a semi annual frequency.
- Fix start date of payment.
- Component 1 will be executed during the first 18 months of the Concession and before the Financial Closure.
- CAO* will be recognized after the Financial Close.

CAO: Certificate of Work Progress (as per its initials in Spanish)
PAYMENT MECHANISM: Constructive milestones

Financing of the Concessionaire for works execution

Equity

Debt

Exploitation period
The Grantor pays for the project works in 15 years

RPI x CAO Cn

(...)

RPI x CAO C2

RPI x CAO C1

Period of execution of works

Milestone C1

Milestone C2

(...)

Milestone Cn

After executing the 100% of the Milestone, the concessionaire obtains

CAO C1

CAO C2

CAO Cn

End of construction phase

Start date of payments

CAO: Certificate of Work Progress (as per its initials in Spanish)
FINANCIAL ASPECTS

PAYMENTS FOR OPERATION AND MAINTENANCE (RPMO)

- **Contestable funds**
  Since the beginning of the operation of the infrastructure in the localities of Ayaviri, Moho, Juliaca, Puno, Ilave and Juli, until the end of the concession.

- **Non-contestable funds: S/ 2 322 710,42**
  From the beginning of the existing infrastructure operation in the localities of Azángaro, Huancané, Lampa and Yunguyo until the end of concession

- La RPMO is subject to deductions for failure to meet service levels.
A) Concession Assets

The Peruvian State owns all assets.

1. Availability of lands
2. Existing assets
3. Easements
B) Strategic Partner

1. Operator
2. Minimum share: 35%
3. Majority share
4. Right to speak and vote
### C) PPP Schedule

#### COMPONENTS

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D</strong> Design</td>
<td><strong>F</strong> Functionality</td>
<td><strong>SO Period</strong> Start of Operations Period</td>
</tr>
<tr>
<td><strong>C</strong> Construction</td>
<td><strong>SU</strong> Start Up</td>
<td><strong>O&amp;M</strong> Operation &amp; Maintenance</td>
</tr>
</tbody>
</table>

#### CONTRACT ASPECTS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7, 8, 9</td>
</tr>
<tr>
<td>Quarter</td>
<td>1</td>
<td>2</td>
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**Design**

**Construction**

**Functionality**

**Start Up**

**Operation & Maintenance**

**Supervision**

**Operation**
Bidding terms
OBJECTIVES

- Transparent, simple, objective, egalitarian
- Competitive
- Rules for submission of proposals
- Select the best proposal
**GENERAL FEATURES**

- Legal entities, national or foreign Consortiums
- Consortiums with individuals
- Prevented from acquiring rights in rem with the State
- Prevented from contracting with the State
- Anti-corruption measures
- Proposals must be based on their own research and analysis.
  Information provided by the State is only referential
• 1st contract draft published with the Bidding Terms (DI)
• Bidders may make comments/suggestions.
• Final draft of contract with opinion from the General Comptroller’s Office.
• Bidders may make queries concerning the Bidding Terms, or comments and suggestions regarding the Concession Contract.

• Replies will be made by circular letter.

• Circular letters are to be regarded as binding.
Call for Bid → Queries concerning Bidding Terms → Queries regarding the Contract

Submission of Envelopes 2 & 3 ← Final Draft of the Contract ← Submission and Qualification (Envelope 1)

Qualification of Envelope 2 → Opening of Envelope 3 → Contract awarding
# REFERENTIAL SCHEDULE

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call for bid</td>
<td>07/16/18</td>
</tr>
<tr>
<td>Queries concerning Bidding Terms</td>
<td>08/08/18</td>
</tr>
<tr>
<td>Replies to queries concerning Bidding Terms</td>
<td>09/03/18</td>
</tr>
<tr>
<td>Submission of Envelope N° 1 (Pre-qualification of documents)</td>
<td>09/17/18</td>
</tr>
<tr>
<td>Period for correction of errors from documents in Envelope 1</td>
<td>10/09/18</td>
</tr>
<tr>
<td>Announcement of Pre-qualified Bidders</td>
<td>10/16/18</td>
</tr>
<tr>
<td>Delivery of Final Draft of Concession Contract to Bidders, after opinion from the General Comptroller’s Office.</td>
<td>10/29/18</td>
</tr>
<tr>
<td>Deadline to communicate the formation of consortiums or changes in its conformation</td>
<td>12/11/18</td>
</tr>
<tr>
<td>Delivery of Final Draft of Concession Contract to Bidders, after the approval of ProInversion’s Steering Committee</td>
<td>12/11/18</td>
</tr>
<tr>
<td>Submission of Envelopes 2 &amp; 3</td>
<td>12/18/18</td>
</tr>
<tr>
<td>Opening of Envelope 3 and Contract award</td>
<td>12/27/18</td>
</tr>
<tr>
<td>Signing date of the Concession Contract</td>
<td>AD +90</td>
</tr>
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</table>
PARTICIPATION REQUIREMENTS

GENERAL REQUIREMENTS
The bidder, or at least one of members shall demonstrate evidence of participation in at least one concession project or PPP.

TECHNICAL REQUIREMENTS
As a minimum the bidder shall provide proof of experience, within the last twenty (20) years, in:

- Operation of 2 WWTP, of at least 400 l/sec or 34.560 m³/day each.
- Construction of 2 WWTP, of at least 400 l/sec or 34.560 m³/day each.

FINANCIAL REQUIREMENTS
- Minimum net worth of S/ 252 315 166,00.

LEGAL REQUIREMENTS
- The Bidder must prove to be a consortium or a juridical person, duly constituted
- Statement by which the Bidder is obliged to constitute or have constituted the SPV
SUBMISSION OF EXPRESSIONS OF INTEREST

- Expression of interest letter
- Standby Letter of Credit: S/ 5 887 354,00.
- Participation Fee: US$ 1 500,00.
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jmendez@proinversion.gob.pe
www.proinversion.gob.pe/titicaca