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Transporte Público



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ECONOMIC REQUIREMENTS

TENDER FOR THE CONCESSION OF THE USE OF ROADS 2017

JULY 12, 2017



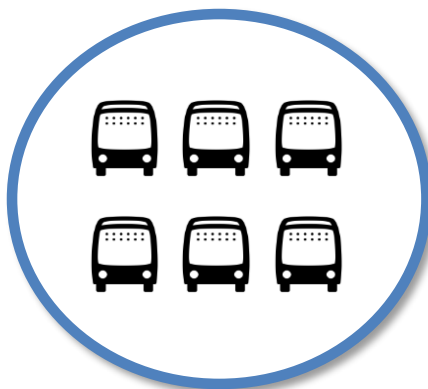
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NEW BUSINESS UNITS STRUCTURE AND OVERVIEW

NEW BUSINESS UNITS



Business Unit No. 1

Business Unit No. 4

Business Unit No. 6

Business Unit No. 7

Business Unit No. 8

Business Unit No. 9

**Single
Business
Activity**

**New
Unique
Tax ID**

New Business Unit No. 1



New Business Unit No. 4



New Business Unit No. 6



New Business Unit No. 7



New Business Unit No. 8



New Business Unit No. 9



ASSETS INTENDED FOR PROVIDING SERVICES

Fleet



To have the fleet (minimum and reserve) required to provide the services, according to the minimum standards specified by the Bidding Rules.

Terminals



- Required for the provision of services.
- Authorization to operate the bus depots.

Payment Areas



- 20 Mandatory payment areas (Mobile).
- Other Payment Concessionaire Zones.
- System Payment Zones.



The Bidder or Bidding Group may bid fleets comprised of new and/or used vehicles, provided that (a) the average age of the fleet does not exceed 5 years at the time of submitting the proposal and (b) that the manufacturing date of all vehicles is 2010 onwards (registration year specified in the National Registry of Motor Vehicles).

Total fleet size of Business Units (BU) to be tendered

3,300 / USD 750 - 800 million

Buses that have to be renewed

1,500 / USD \$ 350 - 400 million

Buses added to the fleet as part of the new System

150

Estimated minimum fleet size for each new BU

550



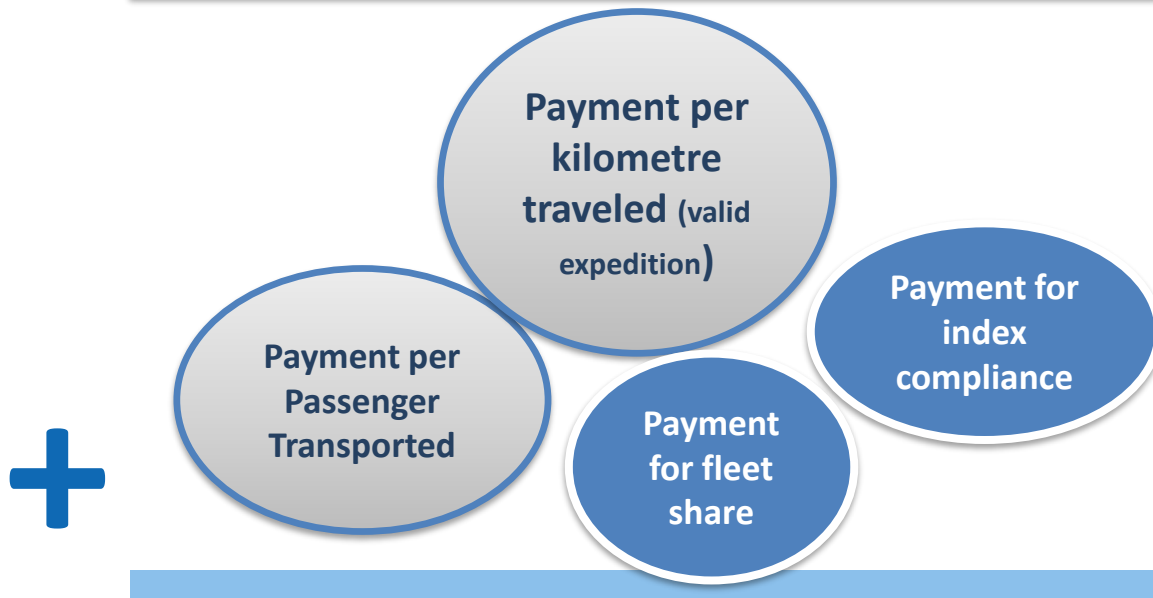
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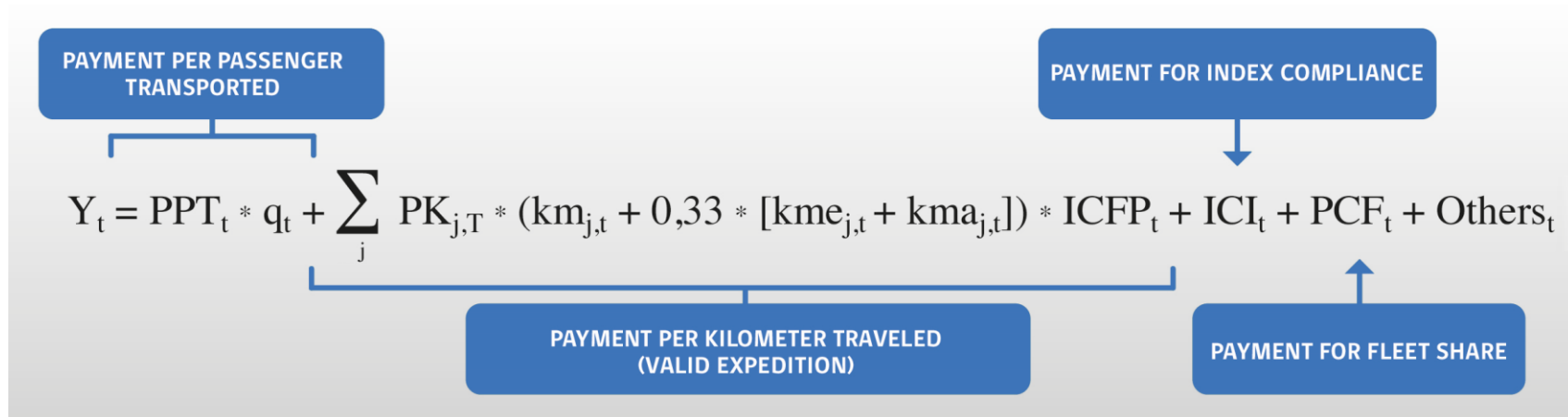
THE CONCESSION'S ECONOMIC REQUIREMENTS

NEW PAYMENT MECHANISM



OPERATOR'S REVENUES

FORMULA FOR ESTIMATING PAYMENTS TO THE CONCESSIONAIRE



ADJUSTMENT MECHANISM

MAC

The Cost Adjustment Mechanism, will be based on applying a cost indexing vector, according to the type and propulsion technology of the buses used by the Concessionaire.

VIP

Price indexing vector, adjusted to month for a type with propulsion technology.

Consumer Price
Index

Labor Cost Index

Price of Oil

Price of Natural
Gas

Kilowatt-Hour
Price

Maintenance
Materials

Transport Labor
Cost Index

Dollar Value
(Observed)

RESTORING CONDITIONS

To ensure the System's sustainability, the MTT may review, for public interest reasons, the validity of the assumptions that were taken into account when estimating the Contract's economic requirements. To this end, exceptional review instances will be determined to restore the contractual equation; restoration will consist of adjusting the economic variables on which the Concession Contract's business model (or other elements) was developed.

Increases in Fleet
Size

Modification
of the
Indexer
Factors

Extension of
Existing
and/or
New Mass
Transit Lines

PAYMENT FOR QUALITY



ICR

REGULARITY COMPLIANCE INDEX

It ensures that passengers' waiting times are not impacted by service irregularity or impunctuality.



IDP

DETENTION AT BUS STOPS INDEX

Assesses and sanctions operators whose buses do not stop at bus stops, when (a) at least one passenger requests the bus to stop and (b) the bus has spare capacity.

Each time a non compliance is detected, a discount will be applied. The total number of detected non compliances in month, will determine the IDP.

ICA

PASSENGER CARE SERVICE INDEX

Two attributes that have a direct impact on the service quality perceived by the user will be monitored: driver's behaviour when providing the service and the information that is provided on board the bus: ICA Driver and ICA Information.

ICV

VEHICLE QUALITY INDEX

Various quality aspects of the service provided to the user will be measured; more specifically, aspects related to the state of the vehicle body and the number of buses that exhibit damages (*pannes*) while in service: ICV Body and ICV Pannes.

PAYMENT FOR FLEET SHARE

- Amount related to the vehicle amortization plus interests, that the Concessionaire must have available to comply with the Operating Program.
- This share of the revenues is paid for the system when is an assignment of rights. If the mechanism does not exist, payment for fleet share is subject to operational compliance (ICFP greater than 50% in order to obtain the payment).

PAYMENT FOR FLEET SHARE

- In their proposal, the bidders must inform or provide the following:

Number of
Buses

Value per
Bus

Interest
Rate

Duration

Monthly
Share
(in CLP
and USD)

Annual
Share
(in CLP
and USD)

Documents
Certification

PCF
Value
(Bidding
Rules
stipulate
maximum
value)

The value tendered is adjusted according to the UF value at payment date.

PAYMENT PROCESS

The payment estimated in accordance with the provisions in the Concession Contract will be made by the supplier of the ancillary financial management services, by making a deposit in the bank account the Concessionaire specifies to this effect in the Concession Contract.

Payments for the provision of transport services will be made every 15 days, on the 10th and 25th of each month. When the 10th and/or 25th of the month are non-work days, payment will be postponed until the first following business day.

PAYMENT MECHANISM SPECIFICATIONS

Affected Asset to the Concession

Being considered necessary for providing the services, all buses, terminals, personal rights and any other movable or immovable property that the parties agree are necessary to provide said services shall be considered affected to the Concession.

Supply Contracts

In order to provide the services stipulated in the Contract, the Concessionaire may enter into any contract - hereinafter "Supply Contract" - that enables him to, at least, use and enjoy the assets necessary to provide the services, including, but not limited to, the buses required to comprise the fleet.

PAYMENT MECHANISM SPECIFICATIONS

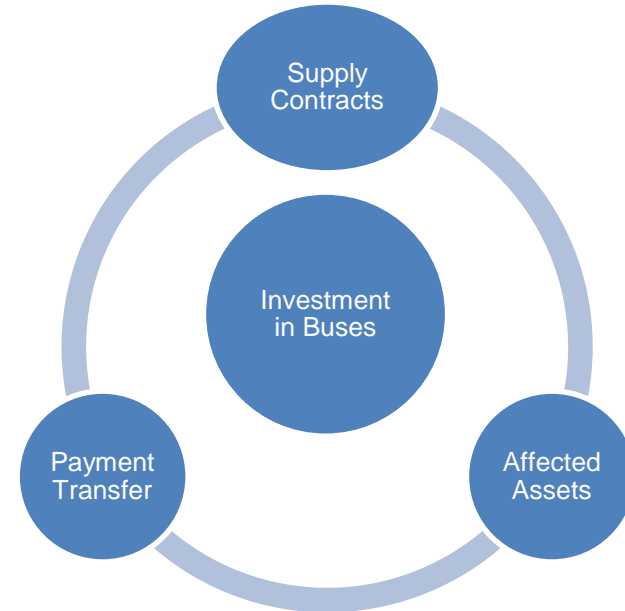
Payment transfer

The Concessionaire may transfer to a third party the rights and actions indicated in the Contract. The MTT will ensure that payments be made in accordance with the provisions of said payment transfer (to the transferee or his designee).

- Irrevocable
- May transfer all to a third party
- It applies not only to buses but also to ancillary services (maintenance, spare parts, cleaning, among others)

PAYMENT MECHANISM SPECIFICATIONS

Strengthening the Supply Contract mechanism allows the new operators to better negotiate the acquisition of buses when preparing their technical and economic proposals. This tool, in addition to the definition of affected assets and payment transfer, creates a mechanism that reduces, from the investors viewpoint, the investment related risks.



CONTINUITY OF SERVICES

- In the event of an early termination of the Concession, the Concessionaire shall be obliged to provide the services specified in the Operational Program current at the time, in the terms and during a reasonable period of time determined by the Ministry; the period of time will be defined as of the date on which the administrative act indicating the early termination is signed.
- Acceptance by the Concessionaire will be required if the period exceeds twelve (12) months.
- PCF payment will be made as long as the maintenance of the bus is adequate according to the manufacturer's quarterly certification (body and chassis) and complies with the maintenance related elements stipulated in the Concession Contract: certified garages, annual maintenance plan, maintenance quality assurance system and additional audits established by the Ministry.

IN SUMMARY...

- The System considers a strengthened Supply Contract model.
- The strengthened model seeks to ensure payment to bus suppliers/manufacturers and/or their financiers.
- Operational compliance by the Concessionaire is no longer tied to the payment for fleet share.
- Payment for fleet share is related only to the adequate bus maintenance state, an element that depends directly on management and/or control.



Transantiago
SeRenueva

THANK YOU

JULY 12, 2017