

***DRAFT TENDER DOCUMENTS FOR AWARD OF
PUBLIC TRANSPORT CONCESSION
CONTRACTS FOR CYPRUS ON A
NET-COST BASIS***

***OPEN TENDER PROCEDURE
UNDER THE***

***Regulation (EC) No 1370/2007 Of the
European Parliament and of Council of 23
October 2007 on Public Passenger Transport
Services by Rail and by Road.***

**MINISTRY OF TRANSPORT
COMMUNICATIONS AND WORKS OF
THE REPUBLIC OF CYPRUS**

**Four Separate Concession Contracts Procured
through the same Competition Process:
Duration 10 years with the right of the Contracting
Entity to Extend Services for a Further Period of up
to 5 years.**

- 1. *Concession Contract A: for Regular Bus Transport Services in the District of Nicosia, which are under the control of the Republic of Cyprus,***

Estimated Annual Concession Contract Sum – including income from Fares:

Twenty-Six Million Euro (€26,000,000) exclusive of VAT - which includes:

- i. Twenty million Euro (€20,000,000) estimated value, plus
- ii. Extension of paragraph 2.5 (30%) - Six Million Euro (€6,000,000)

- 2. *Concession Contract B: for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus,***

Estimated Annual Concession Contract Sum – including income from Fares:

Eighteen Million Two Hundred Thousand Euro (€18,200,000) exclusive of VAT

which includes:

- i. Fourteen million Euro (€14,000,000) estimated value, plus
- ii. Extension of paragraph 2.5 (30%) - Four Million Two Hundred Thousand Euro (€4,200,000)

- 3. *Concession Contract C: for Regular Bus Transport Services in the Districts of Limassol and Paphos,***

Estimated Annual Concession Contract Sum – including income from Fares:

Twenty-Nine Million Nine Hundred Thousand Euro (€29,900,000) exclusive of VAT - which includes:

- i. Twenty-three million Euro (€23,000,000) estimated value, plus
- ii. Extension of paragraph 2.5 (30%) – Six Million Nine Hundred Thousand Euro (€6,900,000)

4. Concession Contract D: for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.

Estimated Annual Concession Contract Sum – including income from Fares:

Nine Million One Hundred Thousand Euro (€9,100,000) exclusive of VAT which includes:

- i. Seven million Euro (€7,000,000) estimated value, plus
- ii. Extension of paragraph 2.5 (30%) – Two Million one Hundred Thousand Euro (€2,100,000)

All falling under category of - 60112000 of the CPV classification

Prospective PT Operators may submit bids for maximum two out of the four contracts only.

Tender procedure No.:

Nicosia, Cyprus

February 2018

Preface:

The Ministry of Transport Communications and Works of the Republic of Cyprus, in view of the approaching end of the current public transport passenger concession contracts on 5 July 2020, has initiated the required procedure for a competitive tendering process in accordance with the European Regulations 1370/2007 and 2338/2016 on public passenger transport services by rail and by road.

The immediate objective of the MTCW is the correct preparation of comprehensive tender documents for the competitive tendering process that will be launched in September 2018 and will result successfully to the award of new contracts for the next period. The Concession Contract duration will be ten (10) years with an option for extension for additional five years.

Through the new concession contracts MTCW aspires to increase the efficiency, effectiveness and economic performance of public transport operations in all areas. At the same time, it is desirable to continue to improve the service quality and increase significantly ridership.

The most important of changes from the previous period are:

- 1. The reduction of the service areas and the respective contracts from six to four, as shown in this first draft of the Tender Documents.*
- 2. Networks and Level of service shall be defined taking into consideration experience, studies and data available from current contracts, but also data that will be soon available from the PT Telematics System implemented for the whole of Cyprus.*
- 3. The adoption of the "net cost contract model", instead of the "gross cost contract model", which is used currently, with the view to incentivise operational performance and improvement of services and ridership by giving more freedom to operators, but at the same time, operators must undertake both production and revenue risks.*

The purpose of this consultation is two-fold:

- a. To communicate to the Public Transport Service Providers the decision made by the Government of the Republic of Cyprus for initiating this competitive tendering process.*
- b. To obtain specific views, suggestions and proposals of the interested PT Operators which shall be taken into account for shaping the final Tender Documents.*

For participating in this consultation process please contact: Mr Aristotelis Savva, Executive Engineer, Public Works Department, Ministry of Transport, Communications & Works, Strovolou Avenue 165, Nicosia, P.C. 2048, Cyprus (Tel: 00357-22806646, Mob: 00357 – 99318561, Fax: 00357 – 22498935, email: asavva@pwd.mcw.gov.cy)

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ANNEX IV – Special Contract Requirements & Values - Relevant Information

PART A: INSTRUCTIONS TO ECONOMIC OPERATORS

(FIRST DRAFT FOR PUBLIC CONSULTATION)

FEBRUARY 2018

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PART A: INSTRUCTIONS TO ECONOMIC OPERATORS

1. DEFINITIONS

1. The following terms shall have the meanings ascribed to them below:

AGREEMENT

Part B of the Tender Documents, as completed based on the Concessionaire's Tender after the contract has been awarded and signed by both parties.

AWARD DECISION

The decision issued by the competent body, whereby the Contract is awarded to the selected Tenderer.

CLARIFICATION

Clarification on the submitted certificates and / or alternative credentials, or even completion of information which are missing due to the failure of submit the required certificates, provided that they were held by the tenderer before the date of submission of tenders. During the evaluation process the Contracting Entity may request such clarification.

COMPETENT AUTHORITY

The Competent Authority is the Treasury of the Republic of Cyprus.

COMPETENT BODY

A body established by virtue of the Regulations which, within the powers granted to it, undertakes and handles matters concerning public procurement.

CONCESSION CONTRACT

The public service concession contract between the Contracting Entity and the Concessionaire, which is concluded after announcement of the Award Decision and which comprises the following integral parts:

- a. The Agreement
- b. The Tender and any correspondence in relation thereto between the Contracting Entity and the Concessionaire.
- c. Annexes I, II and IV of the Tender Documents.

CONTRACTING ENTITY

The *Ministry of Transport Communications and Works*, located in *Aheon 28. Nicosia, P.C. 2014 Cyprus*.

CONCESSIONAIRE

The Tenderer to be selected to enter into a Concession Contract with the Contracting Entity, in the manner, under the terms and in accordance with the procedure described in the Tender Documents.

CONCESSION CONTRACT SCOPE

The provision of services for **<summary description of services>**, falling under category **<CPV classification reference>** of the CPV classification, as identified in detail in the Tender Documents.

ECONOMIC OPERATOR

Any natural or legal person or public entity or group of such persons and/or entities, including any temporary association of undertakings which offers the supply of products or the provision of services or the execution of works.

ESTIMATED VALUE

The potential annual cost of the Concession Contract, estimated by the Contracting Entity, exclusive of VAT, including any form of options and any renewals of the contract, as explicitly set out in the tender documents. The duration of the Concession Contract shall be 10 years. The Contracting Entity reserves the right to extend the contract for any period and up to five years, provided that the Concessionaire meets the performance criteria set in this contract. The Concessioner shall have no right to refuse.

INTERESTED ECONOMIC OPERATOR

Any economic operator associated with the tender in the System.

LAW

The Regulation of Procurement by entities operating in the Water, Energy, Transport and Postal Services Sector and related Matters Law of 2016, (Law 140(I)/2016), as amended in each case.

REGULATIONS

Regulation (EC) No 1370/2007 Of the European Parliament and of Council of 23 October 2007 on public passenger transport services by rail and by road, as amended by Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016.

REPRESENTATIVE

The person representing the Tenderer, in the circumstances and manner provided for in the Tender Documents.

SYSTEM

The electronic platform for public procurement (e-Procurement) at the website address www.eprocurement.gov.cy.

TENDER

The technical and financial proposal for implementation of the Contract Scope, drawn up and submitted by the Tenderer in the manner and under the terms described in the Tender Documents.

TENDER DOCUMENTS

The documents referred to in paragraph 4.2 as well as any addenda thereto.

TENDERER

Any Economic Operator, that has submitted a tender.

2. Any other terms used in the present Part A of the Tender Documents shall have the meanings ascribed to them by the Law, the Regulations or any other part of the Tender Documents.
3. The headings, article titles, subtitles and table of contents are used for convenience and shall not be taken into consideration in the interpretation of the Tender Documents.

2. KEY DETAILS OF THE TENDER PROCEDURE

Par.	ITEM	
2.1	Tender procedure No.	PS/S/.....
2.2	Concession Contract Scope	<p>Concerns four Separate Concession Contracts Procured through the same Competition Process. Interested Economic Operators may bid for a combination of those:</p> <ul style="list-style-type: none">➤ <i>Concession Contract A: for Regular Bus Transport Services in the District of Nicosia, which is under the control of the Republic of Cyprus,</i>➤ <i>Concession Contract B: for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus,</i>➤ <i>Concession Contract C: for Regular Bus Transport Services in the Districts of Limassol and Paphos,</i>➤ <i>Concession Contract D: for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.</i>

Par.	ITEM	
		<ul style="list-style-type: none"> ➤ All falling under category of ➤ 60112000 of the CPV classification <p>Important Considerations:</p> <ul style="list-style-type: none"> ➤ Prospective PT Operators may submit bids for maximum two out of the four contracts only. ➤ Different Consortia bidding may have common members, <u>provided that their bids are not concerning common Concession Contracts</u>. The participation of those common members will not exceed 20% in one of the two consortia. ➤ Duration of each Concession Contract shall be for ten (10) years. The Contracting Entity reserves the right to extend the contract for any period and up to five years, provided that the Concessionaire meets the performance criteria set in this contract. The Concessioner shall have no right to refuse. ➤ The Contracting Entity shall be evaluating each Concessioner on an annual basis against the set performance criteria and if proven to fail below the set score, reserves the right to proceed with termination of the contract with the conditions specified in the Tender. The Concessioner shall have no right to refuse.
2.3	<p>Estimated Annual Value Per Concession Contract (includes revenue from ticket sales):</p> <p>Duration of each Concession Contract shall be for ten (10) years with</p>	<p>1. Concession Contract A:</p> <p><i>Twenty-Six Million Euro (€26,000,000) exclusive of VAT</i></p> <p><i>which includes:</i></p> <ul style="list-style-type: none"> i. <i>Twenty million Euro (€20,000,000) estimated value, plus</i>

Par.		ITEM
	the right of the Contracting Entity to extend it for a further period up to five (5) years	<p data-bbox="749 315 1370 394">ii. Extension of paragraph 2.5 (30%) - Six Million Euro (€6,000,000)</p> <p data-bbox="718 461 1169 506">2. Concession Contract B:</p> <p data-bbox="722 528 1370 595"><i>Eighteen Million Two Hundred Thousand Euro (€18,200,000) exclusive of VAT</i></p> <p data-bbox="722 618 915 651"><i>which includes:</i></p> <p data-bbox="754 674 1370 752">i. Fourteen million Euro (€14,000,000) estimated value, plus</p> <p data-bbox="749 775 1370 875">ii. Extension of paragraph 2.5 (30%) - Four Million Two Hundred Thousand Euro (€4,200,000)</p> <p data-bbox="718 898 1169 943">3. Concession Contract C:</p> <p data-bbox="722 965 1370 1032"><i>Twenty-Nine Million Nine Hundred Thousand Euro (€29,900,000) exclusive of VAT</i></p> <p data-bbox="722 1055 915 1088"><i>which includes:</i></p> <p data-bbox="754 1111 1370 1189">i. Twenty-three million Euro (€23,000,000) estimated value, plus</p> <p data-bbox="749 1211 1370 1312">ii. Extension of paragraph 2.5 (30%) - Six Million Nine Hundred Thousand Euro (€6,900,000)</p> <p data-bbox="718 1379 1169 1424">4. Concession Contract D:</p> <p data-bbox="722 1447 1370 1514"><i>Nine Million One Hundred Thousand Euro (€9,100,000) exclusive of VAT</i></p> <p data-bbox="722 1536 915 1570"><i>which includes:</i></p> <p data-bbox="754 1592 1370 1671">i. Seven million Euro (€7,000,000) estimated value, plus</p> <p data-bbox="749 1693 1370 1794">ii. Extension of paragraph 2.5 (30%) - Two-Million one Hundred Thousand Euro (€2,100,000)</p>
.4	Financing	By the Republic of Cyprus, Ministry of Transport Communications and Works

Par.	I T E M	
2.5	Right to use the negotiated procedure	<p><i>The Contracting Entity Reserves the Right to extend Services in any one of the Concession Contracts:</i></p> <ol style="list-style-type: none"> <i>1. for the contract value by up to thirty per cent (30%) – Net Cost</i> <i>or</i> <i>2. 50% of Kms</i> <p><i>Cost Calculation shall be in accordance to Annex IV Schedule 8</i></p> <p>The Contracting Entity shall negotiate with the Concessionaire the timing of implementation of such additional services or any unforeseen costs of services/works/investment.</p> <p>The Concessionaire has no right to refuse.</p> <p>The above values are not including extension of services that the Concessionaire may wish to implement, such as increased frequency of existing services or new service routes which he will deploy, within the scope of his concession contract and with the permission of the Contracting Entity, provided it shall have no additional costs to the Contracting Entity. No limit is put on such extensions.</p> <p>All above extensions shall fall under checks and measures to avoid over- compensation.</p>
2.6	Tender Procedure	Open Tender Procedure for the award of Concession Contracts
2.7	Award Criterion	<p>Most economically advantageous tender based on the best price-quality ratio.</p> <p>40% Price & 60% Quality</p>
2.8	Contracting Entity	<i>Ministry of Transport, Communications & Works</i>
2.9	Competent Official	<i>Aristotelis Savva</i>

Par.	ITEM	
		<p>Executive Engineer Public Works Department Ministry of Transport, Communications & Works Strovolou Avenue 165 Nicosia, P.C. 2048, Cyprus</p> <p>Tel: 00357-22806646 Mob: 00357 – 99318561 Fax: 00357 - 22498935 asavva@pwd.mcw.gov.cy</p>
2.10	Period of time during which the Tender Documents may be requested	Until the deadline of the submission of tenders (estimated – December 2018).
2.11	Place from which the Tender Documents may be obtained	Documents are available on the Cyprus eProcurement System as per paragraph 4.3 of this document.
2.12	Method for Collection of the Tender Documents	Electronically via www.eprocurement.gov.cy
2.13	Selling Price of the Tender Documents	Free of charge
2.14	<p>Deadline for the Submission of Comments / Questions / Recommendations</p> <p>Time and place of open meeting (if applicable)</p> <p>Time and place of site visit (if applicable)</p> <p>Dispatch of answers by the Contracting Entity</p>	<ul style="list-style-type: none"> • By <date – time> • <date – time – place> • <date – time – place> • <date>
2.15	Tender Guarantee	One Million Euros (€1,000,000.00)

Par.	ITEM	
2.16	Period of Validity of Tenders	<i>Twelve (12) months</i>
2.17	Period of Validity of Tender Guarantee	One (1) month after expiry of the period of validity of Tenders
2.18	Language in which Tenders must be drawn up	Greek or English
2.19	Currency of Tenders	Euro
2.20	Place of Submission of Tenders	Electronically via the Cyprus e-Procurement System at www.eprocurement.gov.cy under the relevant functionality at the workspace of the specific competition.
2.21	Deadline for the Submission of Tenders	by <XX:XX> hours of <date> Estimated December 2018
2.22	Estimated date for the presentation of technical offers (if applicable)	<i>(To be decided)</i>
2.23	Estimated date of notification of tender procedure results	<i>Four (4) months, from the deadline of the submission of tenders</i>
2.24	Estimated date of contract signature	<i>Six (6) months, from the deadline of the submission of tenders</i>
2.25	Location where the Services will be provided	<i>In Cyprus – areas which are under the control of the Republic of Cyprus and as defined in each Concession Contract</i>
2.26	Duration of Contract Execution	<i>One hundred and twenty (120) months from the date of commencement of the implementation of the Contract Scope. The Contracting Entity reserves the right to extend the contract for any period and up to five years, provided that the Concessionaire meets the performance criteria set in this contract. The Concessioner shall have no right to refuse.</i>
2.27	Factor for conversion to current prices	<i>Six per cent rate (6%) This is to be used for comparison purposes of the financial offers submitted and specifically for discounting the yearly Public Service Compensation Fees requested by the candidates discounted to present value (PV).</i>

Par.	ITEM	
2.28	Performance Contract Guarantee	5% of total Concession Contract Value (sum of annual values for the first ten years)

3. LEGAL FRAMEWORK

3.1 Applicable legislation

The Tender procedure shall be conducted in accordance with the relevant Laws and Regulations of the European Union and Republic of Cyprus on the award of Concession Contracts, as amended and in force, and in particular in accordance with:

- a. Regulation (EC) No 1370/2007 Of the European Parliament and of Council of 23 October 2007 on public passenger transport services by rail and by road.
- b. Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016 amending Regulation (EC) No 1370/2007
- c. Regulation relating to Access to the Profession of Transport Operator Law 2001 (101(I)/2001)
- d. Regulation relating to the Safeguarding of Employees' rights in the event of Transfers of Undertakings, Businesses or parts of undertakings or businesses Law 2000 (104(I)/2000)
- e. Other Relevant Legislation shall be defined...

Interested economic operators may access the above-mentioned legislation documents by visiting the Websites www.treasury.gov.cy & <http://eur-lex.europa.eu>.

3.2 General principles

1. Participation in the tender procedure is open to all interested economic operators meeting the legal, financial, technical or other requirements provided for in the Tender Documents.
2. By submitting their Tenders, Tenderers are assumed to be familiar with all relevant laws and Regulations of the Republic of Cyprus which affect, either directly or indirectly, the tender procedure and the implementation of the Contract Scope.
3. The Competent Body shall deem admissible the Tenders which comply with all terms, conditions and specifications of the Tender Documents, while it also may, in its absolute judgement and at its sole discretion, deem admissible Tenders exhibiting minor deviations. Minor deviations shall be taken to mean deviations which do not affect the extent of the Contract Scope or the quality of its execution, do not substantially limit the rights of the Contracting Entity or the obligations of the Concessionaire, and do not impair the principle of equal treatment of Tenderers.

4. Tenders which the Competent Body judges to be vague and impossible to evaluate or contain terms which are contrary to the contents of the Tender Documents and/or conditional terms, shall be designated as inadmissible and shall be rejected.
5. Any attempt by or on behalf of a Tenderer to influence in any way whatsoever the judgement of the Contracting Entity or of the Competent Body in the discharge of their duties in connection with the tender procedure or its outcome, shall result in the rejection of its Tender.
6. Tenderers who have obtained or taken in their possession, without legal authority and at their own initiative, information or documents of a secret nature in connection to the tender procedure, shall be excluded from participation.
7. The tenderers must inform and satisfy themselves fully as to the nature and extent of the services and conditions in respect of which they are tendering. No claims of any nature will be accepted on the basis of a tenderer's failure to make such inquiries, investigation of the current situation on the ground, attend any open meetings organised by the Contracting Entity for the purpose of informed preparation of tenders etc., as per Paragraph 5.2 of Part A "Submission of questions in writing by the interested economic operators".
8. All data and statistics of whatever nature provided in these tender documents concerning existing or former services are provided in good faith as the best information available to the Contracting Entity at the time of publication of this tender, to assist tenderers in tendering. Therefore, a full guarantee of the correctness of the data and statistics provided in these tender documents cannot be given by the Contracting Entity and no claims by tenderers or Winning Operators arising from incorrect data or statistics, regarding existing or potential numbers of passengers, or otherwise, or as a result of incorrect estimates made by the tenderer will be accepted. Tenderers must note that services required to be provided in terms of these tender documents might differ from existing or former services provided in the service area and passenger numbers may differ over time.

3.3 Protection of economic operators

Effective legal protection shall be provided according to Paragraph 21 of Regulation 1370/2007.

4. DETAILS OF TENDER DOCUMENTS

4.1 Ownership and use of the Tender Documents

1. All information contained in the Tender Documents and all rights thereon are the property of the Contracting Entity.
2. Use of the Tender Documents by the interested economic operators is allowed only for the purposes of preparation of their Tenders.

4.2 Contents of the Tender Documents

1. The Tender Documents shall comprise the following:
 - a. The Contract Notice.
 - b. The present Part A (Instructions to Economic Operators), containing articles 1 to 10 and the individual paragraphs thereof (first draft).
 - c. Part B (Agreement and Special Conditions of Concession Contract), containing articles 1 to and the individual paragraphs thereof. (currently being developed)
 - d. Annex I (General Conditions of Concession Contract), containing articles 1 to 27 and the individual paragraphs thereof. (currently being developed)
 - e. Annex II (Terms of Reference – Technical Specifications), containing sections 1 to 7 and the individual paragraphs thereof (currently being developed)
 - f. Annex III (Guide for the preparation and submission of Electronic Tender).
 - g. Annex IV – Special Concession Contract Requirements, Schedules and Values - Relevant Information of Existing Services (first draft – indication of direction taken)
 - i. Schedule 1: Transition & Implementation Plan
 - ii. Schedule 2: Services (Network, Minimum Service Levels and Standards – Current & Contracted)
 - iii. Schedule 3: Minimum Quality & Safety Service Requirements
 - iv. Schedule 4: Minimum Requirements on Fleet & Penalties
 - v. Schedule 5: Telematics System Functionality, Equipment & Costs
 - vi. Schedule 6: Fare Structure – Ticketing Policy & Income Details
 - vii. Schedule 7: Existing and Future Infrastructure & Responsibilities of Contracting Parties
 - viii. Schedule 8: Concession Contract Financial Provisions & Reporting
 - ix. Schedule 9: Transfer of existing Personnel, Conditions & Collective Agreement
 - h. The Appendix containing Templates for Guarantees, Declarations, Tables and other forms which, pursuant to the individual terms of the Tender Documents, must be submitted by the Tenderers and, more specifically, containing the following:
 - Form 1: Tender Guarantee Template, in accordance with Part A, paragraph 8.3.1.1, item (1).
 - Form 2: Solemn Declaration Certifying the Tenderer's Personal Situation, in accordance with Part A, paragraph 8.3.1.1, item (3).
 - Form 3: Documentation of Tenderer's Economic and Financial Standing, in accordance with Part A, paragraph 8.3.1.1, item (4)

- **Form 4:** Documentation of Tenderer's Technical and Professional Ability, in accordance with Part A, paragraph 8.3.1.1, items (5.b), (5.c) and (5.e).
- **Form 5:** CV Template, in accordance with Part A, paragraph 8.3.1.1, item (5.e), and Part A, paragraph 8.3.2, item (2.c).
- **Form 6:** Certification regarding the Protection of Employees, in accordance with Part A, paragraph 8.3.1.1, item (9).
- **Form 7:** Template for the Technical Offer Submission Form, in accordance with Part A, paragraph 8.3.2.
- **Form 8:** Template for the Concessionaire's Teams (categories of personnel, key qualifications and numbers) at the two significant stages of the Concession Contract – Transition and Execution Stage, in accordance with Part A, paragraph 8.3.2, item (2.b), and to be incorporated into the Tenderer's HR Plan of Annex IV – Schedule 1.
- **Form 9:** Financial Offer Template, in accordance with Part A, paragraph 8.3.3, item (1) which shall be incorporated in ANNEX IV – Schedule 8 - to meet the requirements of this tender procedure.
- **Form 10:** Table of Evaluation Criteria, in accordance with Part A, paragraph 9.3, item (2).
- **Form 11:** List of Concessionaire's Certificates, in accordance with Part A, paragraph 10.4, item (4.a).
- **Form 12:** Performance Guarantee Template, in accordance with Part A, paragraph 10.5, item (5).
- ~~**Form 13:** Advance Payment Guarantee Template, in accordance with Part B, paragraph 7.2(a). (NOT APPLICABLE)~~
- **Form 14:** Concessionaire's Bank Account Notification Form, in accordance with Annex I, paragraph 18.1.
- **Form 15:** Template for the Declaration of other Entities

2. If the recipients of the Tender Documents find that the copies received are incomplete, as compared against the table of contents of the preceding paragraph, they are entitled to request a new full set of copies from the Contracting Entity. Recourses filed against the legality of the tender procedure on the grounds of non-completeness of the received copies shall be rejected as inadmissible.

4.3 Receipt of Tender Documents

1. Economic Operators may receive a copy of the Tender Documents, free of charge, via the call for tenders workspace of the competition in the eProcurement System (www.eprocurement.gov.cy). Registered Economic Operators are urged to associate themselves with the competition, so as to receive notifications for any clarifications and/or addenda that may occur during this competition. Non-registered Economic Operators may

register for free following the instructions available in ANNEX III, or within the eProcurement System itself. For any assistance for the registration or any other support on the use of the System, Economic Operators can contact the support team by telephone at +357 22605050 (extension 3&4), from 8:00am to 15:00pm Cyprus Local Time or via email at eprochelpdesk@treasury.gov.cy

2. It is highlighted that for anyone to be considered an Interested Economic Operator, they should be registered to the System and associated with the tender so that any information regarding the tender can be communicated to them through the System.

5. PROVISION OF CLARIFICATIONS ON THE TENDER DOCUMENTS

5.1 Clarifications by the Contracting Entity

1. The Contracting Entity may make additions, corrections or modifications of a small scale to the terms of the Tender Documents, which should be published via the e-Procurement System (www.eprocurement.gov.cy), in order to be made available to all interested economic operators within the deadline specified in paragraph 2.14.

5.2 Submission of questions in writing by the interested economic operators

1. Any clarification questions, recommendations, comments and/or remarks regarding the terms of the Tender Documents shall be submitted by interested economic operators within the deadline specified in paragraph 2.14. The requests for clarifications must be submitted via the relevant functionality of the e-Procurement System, accessible from the workspace of the competition.
2. As long as clarification requests, recommendations, comments and/or remarks are requested in accordance with the above, the Contracting Entity publishes on the e-Procurement System supplementary documents and/or clarifications where deemed necessary within the deadline specified in paragraph 2.14, whilst a relevant notification will be dispatched automatically to all Economic Operators associated with the competition.
3. Under any circumstances, interested economic operators cannot invoke verbal responses/answers/explanations given by any public servant. The Contracting Entity is not bound by any verbal responses/answers/explanations.
4. In addition to the above, answers and explanations on clarification questions, recommendations, comments and/or remarks concerning the contents of the Tender Documents shall be provided in an open meeting to be held at the address of the Contracting Entity, room <room>, at <XX:XX> hours of <date>. The Contracting Entity shall ensure that the minutes of the discussion and its relevant decisions are forwarded to all recipients of the Tender Documents at the latest six (6) days prior to the expiry of the deadline for the submission of Tenders.
5. If an interested economic operator establishes that a specific term of the Technical Specifications deviates from the National or Community Legislation, it must inform to this effect the Contracting Entity within the deadline expiring on the date specified for the submission of comments, questions or recommendations, by special letter, otherwise such interested economic operator:

- a) Shall be deprived of the right to any financial compensation
- b) If appointed Concessionaire, it shall additionally be obliged to join forces with the Contracting Entity in the harmonisation of the deviating term with the National or Community Legislation, even if this entails the economic operator incurring a financial burden, as such financial burden (if any) is assumed to be part of the normal business risk.

6. ELIGIBILITY AND REQUIREMENTS FOR PARTICIPATION

6.1 Eligibility for participation

1. Eligible for participation in the present tender procedure are natural or legal persons (governed by public or private law) or consortia of natural and/or legal persons lawfully established in Cyprus or in any other Member State of the European Union (EU) or of the European Economic Area (EEA) or in third countries who have signed and ratified the International Government Procurement Agreement (GPA) or have signed and ratified association agreements or bilateral agreement with the EU or with the Republic of Cyprus.
2. Consortia of natural and/or legal persons may submit a joint Tender on the following conditions:
 - a. That the participation rate of each person is stated in the Tender.
 - b. That all persons participating in the Consortium fulfil the requirement of lawful establishment in Cyprus or in any other Member State of the European Union (EU) or of the European Economic Area (EEA) or in third countries who have signed and ratified the International Government Procurement Agreement (GPA) or have signed and ratified association agreements or bilateral agreement with the EU or with the Republic of Cyprus.
3. Consortia are not obliged to take a specific legal form in order to submit their Tenders. If the selected Concessionaire is a consortium, then such consortium shall be obliged, before the Contract is signed, to take the legal form of a Limited Liability Company based in Cyprus. Similarly, all winning Concessionaires shall register as Permanent Establishments in Cyprus with the Cyprus Tax Authorities. All Concessionaires shall have in their ownership 60% of assets (fleet and depots), and all necessary financial and human resources for the execution of their Concession Contract Scope.
4. Every natural or legal person may participate in the tender procedure either individually or in one consortium only, bidding for the same Concession Contracts. Their participation in different bids for other Concession Contracts is not prevented, but it is limited not to having a controlling share – maximum 20%.
5. Subcontracting, in terms of execution of Public Transport services on behalf of the Concessionaire is not allowed. For the implementation of the Contract Scope, the Tenderer may use rented or leased buses, which he is obliged to specify in its Technical Offer how he intends to secure, considering the availability of buses also in the local

market. The number of rented or leased buses shall not exceed fifty (50) per cent of the total fleet the Tenderer declares that he requires for the execution of the contract scope.

6.2 Requirements for participation

6.2.1 Personal situation of the Tenderer

1. To participate in the tender procedure, interested economic operators must meet the following requirements concerning their personal situation:

- a. They must not have been convicted by final judgement and neither have admitted:
 - i. participation in a criminal organisation (as defined in Article 2 of Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime)
 - ii. corruption (as defined in Article 3 of the Convention of the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and Article 2(1) of Council Framework Decision 2003/568/JHA)
 - iii. fraud (within the meaning of Article 1 of the Convention relating to the protection of the financial interests of the European Communities of 27/11/1995),
 - iv. terrorist offences or offences linked to terrorist (as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism) or inciting, aiding or abetting an offence as defined in Article 4 of the aforementioned Decision,
 - v. money laundering or terrorist financing, (as defined in Article 2 of the national laws for the Prevention and Suppression of Money Laundering and Terrorist financing (laws of 2007 - 2016)),
 - vi. child labour and other forms of trafficking in human beings in accordance with Article 2 of the Law 60(I) of 2014 on the Prevention, Fighting against Trafficking in and Exploitation of Human Beings and Protection of Victims).

It is noted that the obligation of the Contracting Entity to exclude economic operators from the procurement procedure is also applicable if the person convicted by final judgement or having admitted any of the above, is a member of an administrative, management or supervisory body of the economic operator or has powers of representation, decision or control therein.

- b. They must not be in breach of their obligations relating to the payment of taxes or social security contributions as at the closing date for the submission of Tenders, where these have been established by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of the Republic of Cyprus or with those of the country where they are established.

It is noted that the Contracting Entity can exclude an economic operator from participation in the procurement procedure where it can demonstrate by any appropriate means that the economic operator is in breach of its obligations relating to the payment of taxes or social security contributions.

- c. They must not be bankrupt or the subject of insolvency or winding-up proceedings, their assets must not administered by a liquidator or by the court, they must not be in an arrangement with creditors, their business activities must not be suspended and they must not be in any analogous situation arising from a similar procedure under national laws and regulations.
 - d. They must not be guilty of grave professional misconduct which renders their integrity questionable, as this can be demonstrated by the Contracting Entity by appropriate means.
 - e. They must not have entered into agreements with other economic operators aimed at distorting competition, where the Contracting Entity has reasonably plausible indications to conclude so.
 - f. They must not have a conflict of interest within the meaning of Article 6 of Law, that cannot be effectively remedied without excluding them from participation in the tender procedure.
 - g. They must not have distorted the competition from the prior involvement in the preparation of the procurement procedure, as referred to in Article 53 of Law, unless this can be effectively remedied without excluding them from participation in the tender procedure.
 - h. They must not have shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity or a prior concession contract which led to early termination of that prior contract, damages or other comparable sanctions.
 - i. They must not be guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria, must not have withheld such information or are not able to submit the supporting documents required pursuant to Article 77(5) of Law,
2. It is understood that if the interested economic operator is a consortium of persons, the above requirements must be met by all consortium members.
 3. The same requirements must be met by the entities whose capacities the Tenderer is invoking, within the meaning of paragraph 6.2.2 item (4), and paragraph 6.2.3 item (6).

6.2.2 Economic and financial standing

To participate in the tender procedure, interested economic operators must meet the following requirements concerning their economic and financial standing:

1. Their average annual turnover in delivering Scheduled Bus Services for the last three (3) financial years must be at least equal to the annual value 100% of the Concession Contract being bid for, or the combined annual value of the two Concession Contracts being bid for:
 - i. **Concession Contract A: for Regular Bus Transport Services in the District of Nicosia, which are under the control of the Republic of Cyprus:**

Twenty Million Euros (€20,000,000)

- ii. Concession Contract B: for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus**

Fourteen Million Euros (€14,000,000)

- iii. Concession Contract C: for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus**

Twenty-three Million Euros (€23,000,000)

- iv. Concession Contract D: for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.**

Seven million Euros (€7,000,000)

2. Interested economic operators must during the last three (3) years have been active and financially robust business units, in accordance with their audited financial statements and with the auditors' reports accompanying these.

More specifically:

- i. Their average annual operating results for the last three (3) years must be positive.**

- ii. Capability to Invest throughout the Concession Contract Period:**

The interested Economic Operators must show that they are of sound financial standing which will permit them to operate the Scheduled Bus Services under the Concession Agreement or Agreements they are bidding for.

In this respect, the candidates must submit, based on their submission as per Annex IV, Schedule 1 "Transition & Implementation Plan" which includes a Detailed Business Plan and Yearly Financial Projections:

- 1. A certificate drawn up by a person holding a warrant of public auditor or accountant, issued in any member state of the European Union, attesting the Candidate's capacity to make all necessary yearly investments as per their Detailed Business Plan and Yearly Financial Projections, over the full term of the Concession Contract or Contracts (10years + 5years).**
- 2. A signed letter of intent drawn out by a bank or other credit institution licensed as such in a Member State of the European Union attesting the Candidate's ability to obtain the financing necessary to operate the Scheduled Bus Services, based on their Detailed Business Plan and Yearly**

Financial Projections, over the full term of the Concession Contract or Contracts (10years + 5years).

3. It is understood that if the interested economic operator is a consortium of persons, it is sufficient for the above requirements to be met cumulatively by the consortium members.
4. An interested economic operator may rely on the capacities of other entities, regardless of the legal nature of the links it has with them. In such a case, it must be able to prove to the Contracting Entity that it shall have at its disposal the resources necessary.

6.2.3 Technical and professional ability

To participate in the tender procedure, interested economic operators must meet the following requirements concerning their technical and professional ability:

1. The number of natural persons permanently employed by the interested economic operator, on average during the last three (3) years, should not be less than:
 - a. *Two point seventy five (2.75) times the indicative number of buses required for each Concession Contract that a bid is submitted (relevant staff to PT Operations only – eg. drivers, IT, dispatchers, inspectors, administrative personnel, technical and maintenance staff, management etc).*
 - b. For interested economic operators bidding for two Concession Contracts the number of persons permanently employed shall correspond to *2.75 times the indicative number of buses required for both Concession Contracts (relevant staff to PT Operations only – eg. drivers, IT, dispatchers, inspectors, administrative personnel, technical and maintenance staff, management etc).*
2. They must possess, and be able to document adequately, know-how and experience in the implementation of contracts similar to the contract being put out to tender and, more specifically, they must possess experience in the provision **of all of the following** in each contract submitted as a proof of know-how and experience:
 - a. Regular Public Transport Services with the use of Buses and/or Coaches in urban and rural areas, or Coaches for intercity Services, over a continuous period of at least eight (8) years.
 - b. Regular Public Transport Services with the use of Buses and/or Coaches in urban and rural areas, or Coaches for intercity Services, with fleet size at least equal to the indicative number of buses required for the Concession Contract for which a bid is submitted. For interested economic operators bidding for two Concession Contracts that requirement shall be cumulative of the indicative number of buses required for both Concession Contracts.
 - c. Operate from Dedicated Bus Stations

- d. Maintain Depot/s where buses/coaches are kept overnight and serviced
 - e. Provide accurate information in real time to Passengers through the use of a Telematics System on electronic displays, smartphones and websites.
 - f. Manage Bus Fleet & Service through a Fleet Management System Specifically Designed for Public Transport which incorporates Planning Tools, Dispatching Tools, Control Centres, Reporting Tools.
 - g. Manage sales on bus and through other Points of Sales in bus stations and/or other central locations through a Telematics System utilising the use of Smart Cards
3. They must, during the last ten (10) years, have completed successfully at least **one (1)** contract, of minimum duration 5years and with an annual value amounting:
- a. When bidding for one Concession Contract: to at least equal to the estimated annual value of Concession Contract for which a bid is submitted
 - b. When bidding for two concession contracts: to at least equal to the cumulative estimated annual value of the two respective Concession Contracts

The contract shall have as their scope the provision of services of the category *bus and coach public transport services*, with a minimum participation rate of fifty plus per cent (50+%) i.e. *having the controlling stake*.

The term "completed" shall mean that implementation of the respective contract is at least 80% complete (being the duration of the contract).

For the purposes of meeting the requirements of Paragraphs 7.1.1 (1),(2) & (3) above the Concession Contracts' relevant values are:

1. **Concession Contract A:** for Regular Bus Transport Services in the District of Nicosia, which are under the control of the Republic of Cyprus,
Annual Estimated Value: Twenty million Euro (€20,000,000)
Estimated Required Fleet: 200 buses
2. **Concession Contract B:** for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus,
Annual Estimated Value: Fourteen million Euro (€14,000,000)
Estimated Required Fleet: 150 buses
3. **Concession Contract C:** for Regular Bus Transport Services in the Districts of Limassol and Paphos,
Annual Estimated Value: Twenty-three million Euro (€23,000,000)
Estimated Required Fleet: 250 buses
4. **Concession Contract D:** for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.

Annual Estimated Value: Seven million Euro (€7,000,000)

Estimated Required Fleet: 60 buses

4. They must declare their proposed Project Team in their Business Plan as per Annex IV – Schedule 1, Human Resources Plan, which will implement the Contract Scope and key personnel whose qualifications shall be relevant to the management of the respective operation. The quality of the HR Plan shall be evaluated and marked.
5. It is understood that if the interested economic operator is a consortium of persons, it is enough for the above requirements to be met cumulatively by the consortium members.
6. An interested economic operator may rely on the capacities of other entities, regardless of the legal nature of the links it has with them. In such a case, it must be able to prove to the Contracting Entity that it shall have at its disposal the resources necessary.
7. Interested economic operators should be certified in accordance with the CYS EN ISO 9000 series of Cyprus standards, by a recognised Institute or Organisation, for the provision of services similar to those put out to tender, or hold some other equivalent certification issued by Organisations established in Member States of the European Union, or other proof of the existence of equivalent quality assurance measures for the services that they provide. It is understood that if the interested economic operator is a consortium of persons, the above requirements must be met by all consortium members.

6.2.4 Tender Guarantee

1. The Tender Guarantee of paragraph 2.15 must be a bank guarantee issued by financial institutions lawfully operating in Cyprus or in other countries of the European Union (EU) or of the European Economic Area (EEA) or in third countries who have signed and ratified the Government Procurement Agreement (GPA) or in other countries who have signed and ratified association agreements or bilateral agreements with the EU or with the Republic of Cyprus, and having the right to issue such guarantees in accordance with the legislation of these countries.
2. In the event that a bank guarantee is submitted as a Tender Guarantee, this may be drawn in the English or Greek language.
3. In the event that a bank guarantee is submitted as Tender Guarantee, this should be in the format of the relevant Template (Form 1) contained in the Appendix to the Tender Documents.
4. In the case of a consortium, the Tender Guarantee must state that it covers jointly and severally all consortium members.
5. The Tender Guarantees of the Tenderers shall be returned to them following the submission, by the Tenderer to whom the Contract shall be awarded, of the Performance Guarantee and within ten (10) days from the date of signature of the Contract.

6. The Tender Guarantee shall be forfeited automatically in favour of the Contracting Entity, should the Tenderer:
 - a. After the closing date for the submission of Tenders, withdraw its Tender or a part thereof during its period of validity, or
 - b. Having been notified of the acceptance of its Tender by the Contracting Entity during the period of validity of the Tender, and having been notified to present himself for signing the Contract:
 - i. Refuse or neglect to produce within the specified time limit any Certificate and/or other document and/or the Performance Guarantee and/or fulfil any other of its obligations deriving from his participation in the present tender procedure, or
 - ii. Refuse or neglect to sign the Contract

7. DETAILS OF TENDERS

7.1 Ownership

The Contracting Entity shall have ownership of all the Tenders submitted in the present tender procedure and the Tenderers are not entitled to the return of their Tenders by the Contracting Entity.

7.2 Confidentiality

1. The Contracting Entity shall take into account the legitimate interests of the Tenderers concerning the protection of secrecy which applies to technical or trade aspects of their businesses.
2. Tenderers may specify in their technical offers the information which they consider to be confidential and which cannot be disclosed to third parties, stating the reasons for considering such information to be confidential.

7.3 Period of validity

1. The period of validity of the Tenders is the period stated in paragraph 2.16 above. Tenders specifying a shorter period of validity than the above one shall be rejected as inadmissible.
2. The validity of Tenders may be extended, if requested by the Contracting Entity, in accordance with the Regulation.
3. Should the issue of extension of the validity of the Tenders arise, the Contracting Entity shall address a written question to the participants, as to whether they accept the extension for a specific period of time. The participants must reply within the period specified by the Contracting Entity. If Tenderers refuse to extend the validity of their Tenders, such Tenders shall be rejected as inadmissible.

7.4 Variants

Variants for all or part of the Contract Scope shall not be admitted to the tender procedure.

7.5 Submission of Tenders for part of the Contract Scope

In this tender procedure, each Economic Operator may submit a tender for One Concession Contract or maximum Two Concession Contracts.

COMBINATIONS OF TENDERS

Where Economic Operators tender for a combination of two concession contracts they shall submit:

1. Tender Rates for each Concession Contract separately
2. Tender Rates for the Combined Offer – if the combined tender amount results in savings to the Contracting Entity in the form of reduced contract rates. If Tender Rates for the Combined Offer are not submitted then the Rates given for each Concession Contract separately shall be valid.

8. FORMAT AND SUBMISSION OF TENDERS

8.1 Time and place of submission

1. Economic operators must submit their Tenders no later than the deadline for the submission of Tenders specified in paragraph 2.21.
2. Tenders must be submitted electronically, via the workspace of this competition in the e-Procurement System (www.eprocurement.gov.cy).
3. Tenders which were submitted after the specified date and time shall not be taken into consideration and shall be considered to be late.
4. Tenderers are allowed to modify or withdraw their submitted Electronic Tenders through the e-Procurement System, any time PRIOR to the deadline.
5. With the exception of the provisions of paragraph 9.5, no clarification, modification or rejection by the Tenderers of a term or item of the Tenders shall be allowed after the closing date for the submission of Tenders.
6. Tenderers do not have the right to withdraw their Tenders or any part thereof after the closing date for the submission of Tenders. If a Tender or any part thereof is withdrawn after this date, the Tenderer shall be subject to penalties and in particular to:
 - a. Declaration of the Tenderer in default and deprivation of all of its rights to the Award of the Contract,
 - b. Forfeiture of the Tender Guarantee in favour of the Contracting Entity, without further formality or legal action, and
 - c. The penalties provided for by the Law and the Regulations regarding participation in future tender procedures leading to the award of a public contract.

8.2 Format of Tenders

1. Tenders must be drawn up in the manner, order, numbering and format determined in the Tender Documents, and must be submitted electronically through the particular tender site of the Electronic Public Procurement System (www.eprocurement.gov.cy) and must be prepared in the language specified in paragraph 2.18. Manuals, if any, accompanying the Technical Offer may be submitted in the English or Greek language. Furthermore, each Tenderer must, within ten (10) calendar days of the deadline from submission within the Electronic Public Procurement System, submit in paper form six (6) full paper copies of their Tender Documents, in the same structure as defined within the Electronic Public Procurement System, to aid the evaluation process. The only submission accepted and is legally binding for the Tenderer and the Contracting Entity is the one submitted through the Electronic Public Procurement System, and any differences arising between the paper and electronic submissions, the electronic one shall have precedence.
2. In order to access the electronic tender structure, the Tenderers can use the "Tender Preparation Tool", which is provided free of charge to all users in the electronic system. The Guide for the preparation and submission of electronic tender is attached in Annex III.
3. The Economic Operators may contact the eprocurement support team at the telephone numbers mentioned in the Guide, for assistance on electronic tender submission procedures, before the deadline for the tender submission, during working hours.
4. The Tender envelope contains three (3) Sub-folders with all the information pertaining to the Tender, as follows:
 - A. "Eligibility Criteria sub-folder", containing the following:
 - i. The legalisation documents and all other necessary supporting documents for participation in the tender procedure.
 - B "Technical Part sub-folder", containing the following:
 - i. The Technical Offer Submission Form, fully and correctly completed in accordance with the Template (Form 7) given in the attached Appendix to the Tender Documents.
 - ii. The Technical Offer of the Tenderer, as specified in article 8.3 of Part A of the Tender Documents.
 - C. Financial Offer Sub-folder", containing:
 - i. the Tenderer's Financial Offer, as specified in article 8.3 of Part A of the Tender Documents.

If the technical data of the Tender is too large in volume and, consequently, its electronic submission may cause problems, the data will be accepted in print form or in the form of a link.

The maximum volume of data that can be submitted through the System is 100MB.

5. If the Tender contains abbreviations to denote technical or other concepts, the Tenderer must provide definitions of the abbreviations in an accompanying table.

6. All Forms / Declarations to be submitted must be signed by an authorised person.

8.3 Contents of Sub-folders

8.3.1 Contents of "Eligibility Criteria" Sub-folder

The "Eligibility Criteria" Sub-folder contains the requirements for Participation.

8.3.1.1 Eligibility Criteria

The Participation Credentials are the legalisation documents which establish the right of the interested economic operator to submit a Tender pursuant to article 6 above, and comprise in particular the following:

1. The Tender Guarantee of paragraph 6.2.4 which, if a bank guarantee, must be in the format of the relevant Template contained in the attached Appendix to the Tender Documents (Form 1).
2. For certifying the eligibility for participation in accordance with paragraph 6.1, one of the following:
 - a. If the Tenderer is a legal person, proof of its establishment, accompanied by the Management Board Structure and Members.
 - b. If the Tenderer is a consortium of natural and/or legal persons, the above supporting documents should be submitted for each legal person participating in the consortium. A Cooperation Agreement, signed by all participants in the consortium, should also be submitted, stating:
 - (i) The intention of each participant to participate in the consortium,
 - (ii) The participation rate of each member in the consortium,
 - (iii) The consortium member to act as the leader of the consortium, and
 - (iv) The person appointed as Representative of the consortium.
 - (v) The Management Board Structure and Members of each member in the consortium.
3. For certifying the personal situation of the Tenderer in accordance with paragraph 6.2.1, the Solemn Declaration Certifying the Tenderer's Personal Situation, a template for which is contained in the Appendix to the Tender Documents (Form 2), duly completed and signed.
4. For certifying the Economic and Financial Standing of the Tenderer in accordance with paragraph 6.2.2, the relevant Table, a template for which is contained in the Appendix to the Tender Document (Form 3). It should be noted that the Contracting Entity may ask the tenderers at any time during the bidding process to submit in print or electronic form to the Competent Official, as defined in paragraph 2.9, copies or extracts of the audited financial statements for the last three (3) financial years, where the Tenderer is obliged to publish audited financial statements (where the publication of audited financial statements is required under the company laws of the country where the Tenderer is established) or a Statement of the annual turnover of the Tenderer, where the Tenderer is not obliged to publish audited financial statements. (If the financial statements for the last reference year

have not yet been audited in accordance with the International Financial Reporting Standards (IFRS), you must submit a statement regarding the financial information, signed by the Management of the enterprise and accompanied by a certification issued by a certified accountant or by some other person with equivalent qualifications applicable in the country from which that person comes.)

5. For certifying the technical and professional ability of the Tenderer in accordance with paragraph 6.2.3, the following:
 - a. A statement providing general information about the following characteristics of the Tenderer as a minimum:
 - Business structure
 - Activity areas
 - Services provided
 - Facilities and equipment
 - b. A list of the personnel employed by the Tenderer under a permanent employment relationship, showing that the participation requirement specified in paragraph 6.2.3 item (1) is met, in the format of the relevant Template contained in the Appendix to the Tender Documents (Form 4).
 - c. A list of a maximum of ten (10) contracts, showing that the participation requirements specified in items (2) and (3) of paragraph 6.2.3 are met, which should be in the format of the relevant Template contained in the Appendix to the Tender Documents (Form 4).
 - d. Information documenting the successful implementation of the contracts of paragraph 6.2.3 item (3), as follows:
 - If the Employer is a Public Entity, a relevant certificate issued by the competent Public Authority.
 - If the Employer is a private entity, a certificate from that private entity or, failing this, a simple declaration by the Tenderer in which the data of the contact person at the entity where the contract was executed must be given.
 - e. ~~Detailed CVs of the key experts (as defined in paragraph 6.1 of Annex II. TERMS OF REFERENCE — TECHNICAL SPECIFICATIONS) of the Project Team in a standardised format, using the template contained in the Appendix to the Tender Documents (Form 5). [NOT APPLICABLE]~~
 - f. A certificate issued by an independent organisation, attesting the compliance of the Tenderer with a quality assurance standard based on the CYS EN ISO 9000 series of Cyprus standards, or other equivalent certification issued by bodies established in other Member States of the European Union, or other evidence of equivalent quality assurance measures.

6. ~~If the Project Team includes key experts (as specified in paragraph 6.1 of Annex II. TERMS OF REFERENCE – TECHNICAL SPECIFICATIONS) who are not in the permanent employment of the Tenderer, declarations by these persons, stating that a relevant cooperation agreement with the Tenderer exists and that they accept the terms of the tender procedure. [NOT APPLICABLE]~~
7. If the Tenderer intends to use rented or leased buses for the implementation of part of the Contract to be awarded, declarations of those they shall supply the buses, whereby they shall guarantee to the Contracting Entity that, should the Tenderer be awarded the contract, they shall rent or lease the required number of buses as per the Tender. For renting or leasing of buses less or equal to 20% such declaration is not necessary. Declaration/s shall be required to cover the excess % (i.e. what is over the 20%).
8. If the Tenderer relies on the capacities of other entities within the meaning of paragraph 6.2.2 item (4) and/or paragraph 6.2.3 item (6), submission of the following supporting documents is required:
- Declarations by these entities, whereby they shall guarantee to the Contracting Entity that, should the Tenderer be appointed Concessionaire, they shall place at its disposal the necessary resources as appropriate (Form 15).
 - The declaration of paragraph 8.3.1.1 item (3).

It is understood that in such a case, the supporting documents of paragraph 8.3.1.1 items (4) and (5) should also include the documents concerning these entities, depending on the resources made available. In the event that the Tenderer relies on the capacities of other entities and the Project Team includes key experts that are in the permanent employment of these other entities, then the submission of the declarations by these experts as requested by paragraphs 8.3.1.1.6 and 8.3.2.2.d is not required.

9. Certification regarding the protection of employees, in the format of the relevant Template contained in the Appendix to the Tender Documents (Form 6).

Interested economic operators may obtain information on the obligations deriving from the provisions of the legislation on the protection of the employees and on working conditions currently in force in the Republic of Cyprus and applicable to the place of execution of the Contract Scope, from the Website of the Department of Labour Inspection (www.mlsi.gov.cy/dli).

10. The Tenderers should submit the original Form 1 "Tender Guarantee", to the Competent Official as defined in paragraph 2.9.

Given that the copy of Form 1 has been electronically submitted by the deadline for the Tender submission, the sending or receipt of the original hard copy after the deadline, shall not be considered as a reason for exclusion of the Tenderer. The original Tender Guarantee should be submitted with the copies of the tender referred to in paragraph 8.2.1. of Part A.

8.3.2 Contents of "Technical Part" Sub-folder

The Technical Offer shall comprise two Sections:

- a. Section A, which concerns the Approach and Methodology for the Implementation of the Contract Scope,
- b. Section B, which concerns the proposed Project Team,

and shall also be accompanied by the Technical Offer Submission Form, in the format of the relevant Template contained in the Appendix to the Tender Documents (Form 7), duly completed.

1. Section A – TRANSITION AND IMPLEMENTATION PLAN FOR CONTRACT DURATION
- shall contain the following parts:

- a. UNDERSTANDING THE REQUIREMENTS OF THE CONTRACT AND PREPARATION FOR TRANSITION

Detailed description of the way in which the Tenderer intends to approach the implementation of the Contract Scope, from which it should be established that the Tenderer understands:

- The requirements of the Contract, as these derive from the Terms of Reference and Technical Specifications of Annex II of the Tender Documents,
- The critical issues which are related to the achievement of the objectives of the Contracting Entity,
- The risks and assumptions which may affect the smooth implementation of the Contract Scope. It is understood that reference to such risks or assumptions shall not make such risks and assumptions a part of the Contract and shall not change the rights and obligations of the parties as these derive from the Contract.

- b. STRATEGY FOR IMPLEMENTATION OF THE TRANSITION & CONTRACT SCOPE

- Detailed description of the methodology that the Tenderer intends to adopt for implementing the Contract Scope, with emphasis on quality assurance procedures, existing know-how and the tools to be used for the provision of the requested services.
- Appropriate description and breakdown of the Contract Scope into activities and work packages to support the execution of activities, with further breakdown of work packages into specific tasks, in accordance with the requirements stated in the Terms of Reference and Technical Specifications of Annex II of the Tender Documents.
- Identification and detailed description of the deliverables of the Contract.
- Statement regarding the rented or leased buses or other external resources that the Tenderer intends to use and the precise way they intend to secure those resources.

- c. ACTIVITIES SCHEDULE

- Detailed schedule of the activities, work packages and deliverables of the Contract (Gantt chart).
2. Section B shall contain:
- a. An HR Plan as per Annex IV – Schedule 1 – which shall include detailed description of the organisational structure at all stages (transition and operational stage).
 - b. Presentation of the Concessionaire's Teams (categories of personnel, key qualifications and numbers) at the two significant stages of the Concession Contract – Transition and Execution Stage, by completing the relevant Table contained in the Appendix to the Tender Documents (Form 8) and incorporating that into their HR Plan of Annex IV – Schedule 1.
 - c. ~~CVs of the other experts participating in the Project Team (as specified in paragraph 6.1 of Annex II. TERMS OF REFERENCE – TECHNICAL SPECIFICATIONS of the Tender Documents) in a standardised format, using the template contained in the Appendix to the Tender Documents (Form 5). The CVs of the other experts shall be taken into account in the evaluation of the Organisational Effectiveness of the Project Team mentioned in Form 10.~~
 - d. ~~If the Project Team includes other experts (as specified in paragraph 6.1 of Annex II. TERMS OF REFERENCE – TECHNICAL SPECIFICATIONS) who are not in the permanent employment of the Tenderer, declarations by these persons should be submitted, stating that a relevant cooperation agreement with the Tenderer exists and that they accept the terms of the tender procedure.~~

8.3.3 Contents of "Financial Envelope" Sub-folder

1. The "FINANCIAL OFFER" sub-folder shall contain, duly completed, the Financial Offer Form, in the format of the relevant Template contained in the Appendix to the Tender Documents (Form 9) which forms part of ANNEX IV – Schedule 8.
2. In every case of services for which entry of a price in the Financial Offer Form has been omitted, it shall be deemed that the corresponding price is included in the other prices of the Form and the Concessionaire shall not be entitled to seek remuneration for these services.
3. In the case of an accounting discrepancy between the unit rate and the total price, the unit rate shall prevail.
4. The rates and the total price of the offer shall be denominated in the currency specified in paragraph 2.19. Prices shall be quoted exclusive of VAT.
5. In completing the Financial Offer Form, the Tenderer must take into account the deductions, if any, made under the law, and all other expenses required for meeting its obligations, as well as its expenses and profit.
6. The prices offered must be inclusive of the duties and taxes payable, and of the contributions, if any, levied under European Union laws on imported products. The prices offered shall be deemed final and shall not be affected by any variations of the

aforementioned taxes, duties and/or contributions or any other factors, other than the factors specified in ANNEX IV – Schedule 8 which shall be taken into account in the prescribed way within the same Annex.

7. Submission of the Financial Offer in any other way whatsoever will result in its rejection.
8. If the price offered does not result clearly from the Financial Offer, the Tender shall be rejected as inadmissible.

9. CONDUCT OF THE TENDER PROCEDURE

9.1 *Opening of Tenders*

1. The opening of the tenders submitted in time in the e-Procurement System shall be carried out by authorised persons, after the deadline for the submission of tenders as shown in paragraph 2.21, as described in the procedures for the coordination of the Award of Public Supply Contracts, Public Works Contracts and Public Service Contracts (use of electronic procurement) KDP249/2009.
2. The Competent Body shall open the sub-folders “Eligibility Criteria” and “Technical Part”.
3. Assessment and evaluation of Technical Offers are carried out for the Tenders that have not been rejected in the stage of verification of the participation credentials.
4. Opening of the “FINANCIAL” Sub-folder shall take place for the Tenders that have not been rejected in the technical evaluation stage.

9.2 *Verification of eligibility and requirements for participation*

1. After the opening of the “ELIGIBILITY CRITERIA” AND “TECHNICAL PART” Sub-folders, the Competent Body shall first verify the correctness and completeness of the submitted supporting documents as well as the fulfilment of the requirements for participation, as per the specific provisions of Article 6 and paragraph 8.3.1.1. The results of this verification should be recorded in a form.
2. If the verification procedure establishes that there are Tenders which do not meet the requirements for participation as required by the Tender Documents, then the Contracting Entity, through its Competent Body, shall reject these Tenders.
3. As regards the Tenders which, as a result of the verification of the eligibility and requirements for participation, have not been found to be admissible, their Technical Offers shall not be evaluated, their Financial Offer Sub-envelopes shall not be opened, and their Tender Guarantees shall be returned by the Contracting Entity to the Tenderers after signature of the Contract.

9.3 *Evaluation of Technical Offers*

1. As regards the Tenders that have been found to be admissible in the stage of verification of the participation credentials, the Competent Body shall proceed to assess their

Technical Offers in order to establish their completeness, as per the provisions of paragraph 8.3.2, and determine whether or not they meet the requirements and specifications of the Contract Scope, as described in detail in Annex II of the Tender Documents, also taking into account the provision of paragraph 3.2 item (3), and shall enter in a special form any Offers which it deems should be rejected, detailing for each one of them the exact grounds for rejection.

2. As regards the Tenders that have been found to be admissible in the stage of verification of the participation credentials, the Contracting Entity reserves the right, if deems necessary, to invite in writing the Tenderers to present their Tenders, setting a specific date, time and location for this purpose. The written invitation will be sent at a proper time, at the latest ten (10) days before the date on which the presentations are to be held. Non-acceptance of the invitation by a Tenderer shall constitute grounds for rejection of its Tender. The Tender must be presented by members of the Project Team, which must include the Project Team Manager and key experts deemed necessary by the Tenderer. It is understood that the presentation will concern data and information already included in the Tender.
3. After the conclusion of the above stage, the Competent Body shall proceed to mark the admitted Tenders, in accordance with the criteria of the relevant Table contained in the Appendix to the Tender Documents (Form 10).
4. The mark given to each individual criterion:
 - Is set to a maximum of 100 points for cases where all the requirements of the Contract Scope are met in the best possible way, and
 - may be lowered down to zero points in cases where the requirements of Annex II of the Tender Documents are not fully met, provided that the Tender has been already found to be admissible and that the deviations have been found to be minor, within the meaning of paragraph 3.2 item (3). It is understood that deviations in the coverage of mandatory terms, as well as full coverage thereof, shall be examined separately for each criterion and shall be documented in detail by the Competent Body on a special form.

Each member of the Competent Body shall mark every criterion by giving a mark to it.

5. The mark of each individual criterion shall result from the average of the marks given by the members of the Competent Body, which shall be weighted using the weighting factor for that particular criterion and rounded to 2 decimal digits.
6. By adding the weighted mark of every individual criterion within each group of criteria, the total mark of that group is obtained.
7. The final technical evaluation mark (T) is the sum of the marks of the groups of criteria.
8. The final Technical Offer marks will be entered in a special form by the Competent Body, with adequate justification of the mark.
9. Tenders which in their Technical Offers do not gain marks equal or over 75% shall be disqualified and they will not be included in the next stage – Financial Evaluation.

9.4 Evaluation of Financial Offers

1. For the purposes of the financial evaluation, the Competent Body shall verify the contents of the Financial Sub-envelope, to determine the degree to which they meet the requirements of the Tender Documents and more particularly the terms of paragraph 8.3.3.
2. If the verification procedure establishes that there are Tenders which do not satisfy the relevant terms and conditions as required by the Tender Documents, then the Contracting Entity, through its Competent Body, shall reject these Tenders.
3. ~~Where the prices of the Financial Offer are expressed in foreign currency these shall be converted, for the purposes of evaluation and price comparisons, to Euro, using the Foreign to Euro exchange rate (sale price), as given by the Central Bank on the closing date for the submission of Tenders. When the closing date for the submission of Tenders is a bank holiday, then the exchange rate of the working day which immediately precedes the closing date shall be used. [NOT APPLICABLE]~~
4. Evaluation of the Financial Offers shall take place on the basis of current prices, using the factor specified in paragraph 2.27 to convert all future payments, if any, to current prices. Marking of the Financial Offers of Tenderers shall be made on the basis of the revised Financial Offer amounts, as these shall be obtained after the above conversion.
5. Where the Competent Body considers a Financial Offer to be abnormally low, the Competent Body must request in writing the Tenderer to supply, within ten (10) days of being requested to do so, those clarifications about the composition of its Offer which the Competent Body may deem advisable, as per the provisions of article 81 of Law 140(I)/2016. The Competent Body shall examine the clarifications and shall decide whether to accept them or reject the Offer.
6. For marking the Financial Offers which will be found to be admissible in accordance with the above, the relative cost C of each Tender is calculated by applying the formula below:

$$C = \frac{\text{Financial Offer of Lowest Bidder}}{\text{Financial Offer under Evaluation}} \times 100$$

where the Financial Offer under Evaluation is defined as the total amount for which the Tenderer intends to implement the Contract, and the Financial Offer of Lowest Bidder is defined as the price of the Tender with the lowest Financial Offer.

9.5 Clarifications on the Tenders

1. After submission and opening of the Tenders and until Awarding of the Contract, no clarification, modification or rejection of a term of the Tender Documents or of the Tender shall be admitted.

2. However, the Contracting Entity may, if the Competent Body finds it necessary, request a Tenderer to provide clarifications regarding the contents of its Tender, throughout the evaluation procedure described in the present article. In such a case, the provision of clarifications is mandatory for the Tenderer and is not considered to be a counter-offer.
3. Where information or documentation to be submitted by economic operators is or appears to be incomplete or erroneous or where specific documents are missing, the Contracting Authorities may request the economic operators concerned to submit, supplement, clarify or complete the relevant information or documentation within an appropriate time limit provided that such requests are made in full compliance with the principles of equal treatment and transparency. Economic operators in this case are obliged, under penalty of disqualification, to supply such missing information within *five (5)* working days from the day on which they are requested to do so.
4. From the clarifications supplied by Tenderers in accordance with the above, only those concerning the issues for which they were requested shall be taken into account.

9.6 Conclusion of the Evaluation

1. After the conclusion of the financial evaluation, the Competent Body shall proceed to establish the final ranking of Tenders in decreasing order of their final mark:

$$L = T * 60\% + C * 40\%$$

where:

T = the Technical Offer evaluation mark, and

C = the relative cost of the Financial Offer.

2. The Tender with the highest mark L shall be considered to be the most advantageous Tender based on best price-quality ratio.
3. In cases where the marks of two or more Tenders are the same, these Tenders are ranked in decreasing order of their Technical Offer mark.

10. CONCLUSION OF THE TENDER PROCEDURE

10.1 Award of Contract

The Contract is awarded to the Tenderer whose Tender is found, after the conclusion of the evaluation procedure, to be the most economically advantageous tender based on price-quality ration.

10.2 Notification of the results of the tender procedure

1. The Contracting Entity shall inform the candidate Concessionaire of the Award Decision.
2. The Contracting Entity shall inform by letter all Tenderers, in the event that the tender procedure is cancelled. In all other cases the Contracting Entity shall notify the unsuccessful Tenderers of the decision taken and of the reasons for it.

3. The Contracting Entity shall notify to every disqualified Tenderer who submits a relevant application, within a deadline of fifteen (15) days of receipt of such application, the reasons for which its Tender was rejected and, where the Tenderer has submitted an admissible Tender, the key features and advantages of the selected Tender, as well as the name of the Concessionaire, with due observance of the provisions of the Law.

10.3 Cancellation of the tender procedure

1. The tender procedure may be cancelled before the specified deadline for the submission of Tenders for specific and justified reasons, by decision of the Contracting Entity.
2. Cancellation of the tender procedure after expiry of the deadline for the submission of Tenders may be decided where one or more of the following conditions apply:
 - a. When no Tender has been submitted within the specified deadline,
 - b. When the terms of the Tender Documents contain terms or technical specifications and it is established that these can not be met by any of the Tenderers or that these specifications lead exclusively to a specific economic operator,
 - c. When the prices of all Tenders meeting the terms and the technical requirements of the Tender Documents are unrealistic or appear to be the product of collusion between the Tenderers, resulting in the circumvention of healthy competition,
 - d. When the circumstances under which the tender procedure was announced have changed to such an extent that the scope of the tender procedure is no longer necessary, or
 - e. When there is no approval for additional required budget in the case that the final award amount is expected to exceed the amount originally approved before the call for tender was published, or
 - f. In the event of any other serious unforeseeable cause, which the Competent Body deems to be justified.
3. The interested economic operators / Tenderers do not maintain and shall waive any claim against the Contracting Entity on account of such cancellation, if any, without prejudice to the rights defined in paragraph 3.3 above.

10.4 Drawing up and signature of the Agreement

1. To draw up the Agreement, the Contracting Entity shall use Part B "Agreement and Special Conditions of Contract" of the Tender Documents, where it shall enter the appropriate information.
2. The Tenderer who has been awarded the Contract is obliged to present himself, within a period of twenty (20) days of receipt of the relevant invitation of the Contracting Entity, for signing the relevant Agreement. If the aforementioned deadline expires and the Tenderer has not presented himself to sign the Agreement, then the Tenderer shall be declared in default of the Award made to him and of all rights deriving from it, and the Tender Guarantee shall simultaneously be forfeited in favour of the Contracting Entity.

3. In such a case, the Contracting Entity has the right to refer the matter back to the Competent Body, with a view to awarding the Contract to the Tenderer who has submitted the next, as per the ranking of paragraph 9.6 item (1), Tender which meets the terms and specifications of the tender procedure. This right may be exercised provided that the renewal of the validity of the Tender of the Tenderer who has submitted the next Tender meeting the terms and specifications of the tender procedure is ensured, for a specific period of time, under the same terms as previously applicable.
4. The Tenderer who has been awarded the Contract is obliged to present himself for signing the Agreement, also producing the following items:
 - a. The certificates contained in the relevant Table (Form 11) of the Appendix to the Tender Documents, to confirm that the participation requirements under items (a), (b), and (c) of paragraph 6.2.1 have been met,
 - b. In the case of a legal person or a consortium, the authorisation documents for the person who shall sign the Agreement,
 - c. In the case of a consortium of persons, a final Cooperation Agreement determining the participation rate of each member in the consortium, the legal representative of the consortium and the consortium member to act as the leader of the consortium. It is understood that this information can not be different from that defined in the cooperation agreement of paragraph 8.3.1.1 item (2.b).
 - d. The Performance Guarantee for the Contract, in accordance with the provisions of the following paragraph.
5. The stamp duties of the Agreement to be signed shall be fully borne by the Concessionaire.

10.5 Performance Guarantee

1. The amount of the Performance Guarantee must cover 5% of the Contract price (the sum of Contract Value for the first 10 years). In the eventuality that the Contracting Entity exercises its right to extend the Concession Contract by any period, not exceeding 5 years, the Concessionaire shall extend accordingly the period of validity of the Performance Guarantee, for the same amount required for the first 10 years.
2. The Performance Guarantee for the Contract shall be returned to the Concessionaire after the final qualitative and quantitative acceptance of the Contract Scope and after the claims, if any, of both parties have been settled, while it shall be automatically forfeited in favour of the Contracting Entity in the event of failure by the Concessionaire to fulfil its obligations, as these derive from the Contract.
3. The Performance Guarantee for the Contract shall be issued by financial institutions or other legal persons lawfully operating in Cyprus or in other countries of the European Union (EU) or of the European Economic Area (EEA) or in third countries who have signed and ratified the International Government Procurement Agreement (GPA) or in other countries who have signed and ratified association agreements or bilateral agreements with the EU or with the Republic of Cyprus, and having the right to issue such guarantees in accordance with the legislation of these countries.
4. The Performance Guarantee may be drawn in the English or Greek language.

5. The Performance Guarantee for the Contract must be in the format of the relevant Template (Form 12) contained in the Appendix to the Tender Documents.
6. In the case of a consortium, the Guarantee must state that it covers jointly and severally all consortium members.

**ANNEX IV: SPECIAL CONCESSION CONTRACT
REQUIREMENTS, SCHEDULES AND VALUES
RELEVANT INFORMATION OF EXISTING SERVICES**

(FIRST DRAFT FOR PUBLIC CONSULTATION)

FEBRUARY 2018

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1. SCHEDULE 1 – TRANSITION & IMPLEMENTATION PLAN

Schedule 1 shall include requirements to the Interested Economic Operators for Formulating and Submitting a comprehensive Transition and Implementation plan which shall be evaluated and scored for each concession contract:

- (a) **Concession Contract A:** for Regular Bus Transport Services in the District of Nicosia, which is under the control of the Republic of Cyprus,
- (b) **Concession Contract B:** for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus,
- (c) **Concession Contract C:** for Regular Bus Transport Services in the Districts of Limassol and Paphos,
- (d) **Concession Contract D:** for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.

Transition and Implementation Plans shall be per Concession Contract Area.

For Interested Economic Operators that are bidding for two Concession Contract Areas, they shall include Transition and Implementation Plans per Concession Contract Area and an additional one for the Combined Concession Contract Areas (i.e. three distinct Transition & Implementation Plans).

The Transition & Implementation Plan shall include inter alia:

1.1 Submission of Minimum Technical and Financial Information

The Submission shall include:

1. **An overall Strategic Plan** covering the whole period 10+5 years which shall include inter alia:
 - a. key objectives and milestones and an explanation how these objectives of the Concession Contract and Public Transport Service will be achieved.
 - b. Yearly financial projections for the Concession Contract term including key elements of Costs, Income, Assets (Balance Sheet).
 - c. Yearly patronage level projections;
 - d. Investment in Key assets (Fleet, Depots, Offices, Sales network etc)
 - e. Maintaining fleet within the quality and age parameters
 - i. Euro 5 or above for buses at start of Concession Contract
 - ii. All new buses added to the fleet thereafter to be Euro 6 or above (age 0 - 5 years),
 - iii. Average age of fleet at all times less or equal to 10 years,

- iv. Maximum age of buses at all times 20 years, except at start of Concession Contract (July 2020), when buses max age shall be 18years or less.
2. **A Business Plan**, based on the Strategic Plan, covering the preparation period and initial 5 (five) years of operation illustrating in more detail:
- a. The delivery of the key objectives and milestones
 - b. The Operation Strategy as detailed below (paragraph 1.2)
 - c. The adoption and installation of the PT Telematics System provided by the Contracting Entity
 - d. Performance Regime as per Tender Documents
 - e. Measures that are within the control of the Concessionaire and will be taken to increase bus patronage (including marketing, ticketing pricing etc).
 - f. A sufficiently detailed breakdown of all revenue and costs, including, without being limited to, the different income streams, drivers' payroll (including different components), other payroll, fuel, engineering, maintenance costs, and other overheads. These should include all components and assumptions necessary to understand the projections and must be in line with the operational strategy.

The financial projections in the Strategic and Business Plans should assume 2% inflation and reflect the finance terms obtained from the interested Economic Operator's bank, as set out in their support letter as per Part A, Paragraph 6.2.2.2(ii) "Economic and financial standing".

The Business Plan shall be maintained on a 5-year rolling basis for the full duration of the Concession Contract (10years + 5years).

1.2 Operational Strategy

This shall be a more detailed explanation of how the Concession Contract will be implemented and shall include but not be limited to:

- 1. Detailed description of how the operations will be managed and controlled when explaining how:
 - o Sufficient number of buses are allocated for peak and off-peak hours operation for every route (or route group) – Frequency and available seats to cover projected demand;
 - o Night Services
 - o Bus fleet management and bus dispatching is achieved to meet schedules and regularity of service.
 - o Spare capacity in fleet to cater for maintenance and breakdowns is ensured,

and also how spare buses will be managed and dispatched from depots or stations to minimise disruptions to the service;

- Drivers will be allocated to buses and to individual routes including proposed structuring of rosters and driver changeover procedures;
- Communication between the main control room, depots, termini, sites, bus drivers, inspectors and the customer call centre,
- Timetables are met and adjusted to sufficient accuracy,
- Compliance with route network minimizing unauthorized diversions;
- Revenue management, ticketing control and fraud mitigation;
- Measuring reliability and punctuality of each route;
- Compliance and quality assurance mechanisms will be applied to ensure contract compliance

For the above, specific references should be made to the utilisation of the Contracting Entity's Public Transport Telematics System and other tools, such as planning tools that the interested Economic Entity will have at their disposal.

2. Detailed description of how key assets are acquired, managed/maintained and concern inter alia:
 - Buses - technical description & condition
 - Buses – typical cleaning and maintenance schedules,
 - Facilities (depots, garages, etc...) that the Candidate plans to operate for maintenance, cleaning, night keeping of buses etc;
 - Relevant IT equipment
 - Other equipment considered to be necessary to achieve the concession contract objectives.
3. A description of any sub-contracting arrangements foreseen for the period and the sub-contractors contribution, training, adoption of PT Telematics System of the Contracting Entity,
4. An Human Resources (HR) Plan including:
 - a. Concessionaires indicative structure, and numbers of personnel required in each key category to deliver the proposed operations.
 - b. Minimum qualifications and training they will require for each personnel category.
 - c. Recruitment plan to match operations, taking into account the Transfer of Employees as per Schedule 9 of this Annex.
 - d. Motivation or bonus regimes they will put in place per category of personnel, and objectives of those regimes.

1.3 Detailed Break Down of Business Plan in Tasks & Milestones

The implementation of the Business Plan An Implementation Plan broken down in manageable and distinguishable tasks. It shall be accompanied by a detailed Gantt Chart indicating the preparation period which the interested Economic Operator requires before being in a position to commence operation of the Concession Contract, indicating all major milestones.

1.4 Other Relevant Information

The interested economic Operators may provide here other relevant information to support their Submission relevant to this Schedule.

The completeness of this Schedule shall be evaluated and Marked as per Form 10: Table of Evaluation Criteria”, in accordance with Part A, paragraph 9.3, item (2).10 – which is under preparation.

2. SCHEDULE 2: SERVICES (NETWORK, MINIMUM SERVICE LEVELS AND STANDARDS) – CURRENT AND CONTRACTED

2.1 Scope and Structure of this Schedule:

This schedule includes per Concession Contract shown below:

- (a) **Concession Contract A:** for Regular Bus Transport Services in the District of Nicosia, which are under the control of the Republic of Cyprus,
- (b) **Concession Contract B:** for Regular Bus Transport Services in the Districts of Larnaca and Famagusta, which are under the control of the Republic of Cyprus,
- (c) **Concession Contract C:** for Regular Bus Transport Services in the Districts of Limassol and Paphos,
- (d) **Concession Contract D:** for Regular Coach (Intercity) Transport Services in the part of Cyprus, which is under the control of the Republic of Cyprus.

The following relevant information that concern:

Existing Situation:

- i. The latest service instructions of the Contracting Entity to the current Concessionaires whose contract ends on 4th of July 2020,
- ii. Information regarding the current Network,
- iii. Typical Commercial Speeds for urban, rural and interurban services at peak and off-peak periods.
- iv. The current ticketing policy and overall income (per year per current concession contract since 2010)
- v. Personnel employed for Transfer (category and average cost)

New Concession Contract Requirements:

- i. Network (day & night services),
- ii. Minimum Service Levels (frequency),
- iii. Any contracted special services permitted or required – eg. Demand Responsive Service in very remote areas where demand is not regular (any rights to subcontract to taxi service)
- iv. Detailed Process when and how a service can be modified or removed (removing or adding bus stops, stations, part or whole routes)
- v. Responsibilities of Winning Concessionaire and Contracting Authority for modifying network within the PT Telematics System (topographical surveys, typical information templates etc)
- vi. Where Bus Lanes or other Bus Priority Measures are being installed or planned....

3. SCHEDULE 3: MINIMUM QUALITY & SAFETY SERVICE REQUIREMENTS

Schedule 3 shall include inter alia matters such as:

3.1 *Matters that Affect Safety*

- i. Matters that affect Safety – Requirements for drivers' qualifications & training, hours of work, speed limits, CCTV, etc ,

3.2 *Service Delivery*

- i. Service Delivery – matters that improve customer care and co-ordination of services between different lines and different operators (monitored through the PT Telematics System)

3.3 *Service Reliability & Punctuality*

- i. Service Reliability & Punctuality - on time services to passengers as planned (monitored through the PT Telematics System)

3.4 *Service Comfort*

- i. Service Comfort – airconditioning/heating, over crowding

3.5 *Information to Passengers*

- i. Information to Passengers – accurate information to passengers ((monitored through the PT Telematics System and inspections – mystery shopping surveys)

3.6 *Customer Care*

- i. Customer Care – deal with Complaints & Suggestions in an effective manner – (monitored through the PT Telematics System, mystery shopping surveys)

3.7 *Capability of Company Management*

- i. Capability of Company Management –Key Personnel & Qualifications, HR Approach & Training.

3.8 Scoring and Penalty Regime

- i. All the Above shall be accompanied by a scoring and penalty regime exceeding the benefit the Winning Concessionaire will have by not complying (based on benefit plus value of consequences to the service).

4. SCHEDULE 4: MINIMUM REQUIREMENTS ON FLEET

Schedule 4 shall include inter alia matters such as:

4.1 Compliance with Legislation

Compliance with the requirements of EU & Cyprus legislation with respect to environmental matters, particularly with the Emission Standards stipulated in Regulation 595/2009 and Directive 2007/46 for Buses registered for the first time in a Member State:

- i. Euro 5 or above for buses at start of Concession Contract
- ii. All new buses added to the fleet thereafter to be Euro 6 or above

4.2 Fleet Age

- i. Start of Concession Contract - Euro 5 or above buses and shall be of age 0-18 years.
- ii. All new buses added to the fleet thereafter - Euro 6 or above – shall be of age 0 - 5 years,
- iii. Average age of fleet at all times, including at start of contract, shall be less or equal to 10 years,
- iv. Maximum age of buses at all times 20 years, except at start of Concession Contract (July 2020).

4.3 On board Equipment

Minimum On-board Equipment required:

- i. On-board Computer with FMS exit to provide CANBUS information to Telematics System
- ii. Displays (external and internal)
- iii. CCTV
- iv. Passenger Counters for 10% of fleet
- v. Public Transport Telematics System for Fleet Management
- vi. Public Transport Telematics System for Passenger Information
- vii. Public Transport Telematics System for Ticketing
- viii. Air-conditioning (cooling & heating)

4.4 Safety

- i. On-board Safety: Entry & Exits, Passenger and Handicapped Security, Extinguishers, window hammers, Accident Avoidance Systems

- ii. **Security & Safety in Important Premises:** Depots, Stations, Sales outlets, Offices.

4.5 Bus External & Internal Appearance & Condition

- i. Exterior: paint, area allowed for advertising not to exceed 50% of the total bus surface at any one side, cleanliness etc.
- ii. Interior: minimum signage to inform passengers on maximum seating and standing capacity of the Bus, existence of surveillance cameras, language in Greek, English and prevailing tourist languages for nationalities not particularly familiar with English (such as Russian), cleanliness, positions reserved for handicapped etc..

4.6 Accessibility

- i. Accessibility: low floor, manually managed ramps at front or middle door, assistance offered, signing routes & informing users which offer full accessibility and assistance etc... There shall be a distinction between urban and rural or intercity.
- ii. Vocal and visual announcement of next stop in in Greek, English and prevailing tourist languages for nationalities not particularly familiar with English (such as Russian).

4.7 Minimum Maintenance Requirements – Manufacturers Specifications

- i. Minimum Maintenance Requirements (level of maintenance and frequency certificates for road worthiness etc) shall be as per Manufacturers' Specification

4.8 Prohibitions & Rented/Leased Vehicles:

- i. Prohibitions & Rented/Leased Vehicles: eg. Buses that do not meet specific minimum requirements shall not be allowed in service at any one time, eg.:
 - a. have a working PT Telematics System, as when in service these vehicles shall be managed by the Concessionaire through their Control Centre.
 - b. safety,
 - c. minimum exterior and interior standards,
 - d. Colour to match the rest of the fleet,
 - e. Etc.....all to be defined in detail in this schedule

Rented or leased vehicles shall be managed directly by the Concessionaire and comply with all requirements for the Concessionaire such as the age and restrictions of the overall fleet, and shall be taken into account when assessing average age of fleet.

Rented or leased vehicles shall enter into the fleet with long term contracts 3-5 years, as the Concessionaire shall be responsible for the expenses of telematics system installation and removal, insurance, and bringing the vehicles to the interior and exterior

standards for the fleet. (quality, emissions, maintenance, colour, etc). Rented buses should not be distinguishable from the rest of the fleet).

Buses rented or leased shall not be used in other services outwith the Concession Contract.

In case of Management Take over by the MTCW – the suppliers of the rented or leased vehicles shall be obliged to continue supplying the same resources for the duration of their in place agreement with the Concessionaire at the same terms and conditions.

4.9 End of Concession Contract Transfer of Fleet

- i. End of Concession Contract Transfer of Fleet – here the minimum requirements for fleet standards to transfer in the next contract, and obligation to transfer to the next concession contract winner at market residual value – assessed by an independent expert shall be developed.

4.10 Scoring and Penalty Regime

- i. All the Above shall be accompanied by a scoring and penalty regime exceeding the benefit the Winning Concessionaire will have by not complying (based on benefit plus value of consequences to the service).

5. SCHEDULE 5: TELEMATICS SYSTEM FUNCTIONALITY, EQUIPMENT & COSTS

Schedule 5 shall include all relevant Telematics System Information and costs that shall be the responsibility of the Winning Concessionaires:

5.1 Full Functional Description

5.2 Requirements & costs for new buses

5.3 Requirements & costs for transfers of equipment

5.4 Technical Information of Equipment Supplied

5.5 Technical Information regarding integration with various third-party systems on-board

5.6 Required Level of Operation

5.7 Required Level of Automatic Reporting

- i. Required Level of Automatic Reporting (what the Contracting Entity will monitor and shall intervene if proven that that Winning Concessionaire is failing systematically to meet)

5.8 Other Reporting supported by the system

5.9 Required Level of Information linked to payments by the Contracting Entity

6. SCHEDULE 6: FARE STRUCTURE – TICKETING POLICY & INCOME DETAILS

Fare Structure – Ticketing Policy & Income Details

Schedule 6 shall include inter alia:

6.1 *Current Fare Structure*

Current Fare Structure with which income has been achieved.

6.2 *Analysis of Current Income per Ticket Type*

Analysis of Current Income per Ticket Type & Trends per current geographical District.

6.3 *Current Ticketing Policy – system structure*

How current ticketing policy is managed through the PT Telematics System - all relevant Telematics System Information – Smart Card Lifecycle

6.4 *Contract Ticketing Policy*

Contract Ticketing Policy and Maximum Fares per Zone and Origin-Destination Routes for Intercity Services. The above shall include all fares (single route, return, day, period tickets, night service charges etc, charging for administration costs to the customers – cards etc)

Charges of online top-ups that the Winning Concessionaire must accept (JCC)

6.5 *Clearing House Rules*

Clearing House Rules that the Winning Concessionaire must accept

6.6 *Network of Sales*

Network of Sales – rights & responsibilities of the Concessionaire including minimum number of Points of Sales, the use of Automatic Vending Machines and the use of Third Parties for sales.

7. SCHEDULE 7: EXISTING AND FUTURE INFRASTRUCTURE & RESPONSIBILITIES OF CONTRACTING PARTIES

Schedule 7 shall include inter alia:

7.1 Bus Stops & Shelters

- i. **Current number of Bus Stops & Shelters, location, name etc, information on current condition** – information on the Bus Stop Asset Management Tool (GIS Based – currently being developed as part of the PT Telematics System).
- ii. **Responsibilities for Bus Stops & Shelters** for installation, removal, maintenance, information provision at bus stops etc – Legal Status & Ministerial Council Decision.
- iii. **Investment Programme and approach by the MTCW** to improve bus stops (contribution of Winning Concessionaire when income exceeds specified limits shall be diverted in this investment programme)

7.2 Bus Stations

- i. **Current number of Bus Stations, location and condition. Investment Programme and approach by the MTCW** to improve bus Stations (contribution of Winning Concessionaire when income exceeds specified limits shall be diverted in this investment programme).
- ii. **Minimum Standards for facilities** to be provided by Winning Concessionaire – where investment is specified as a requirement – and how that is transferred at end of concession contract or early termination.

7.3 Park & Right Facilities

Park & Right Facilities - location and condition. Investment Programme and approach by the MTCW to improve bus Stations (contribution of Winning Concessionaire when income exceeds specified limits shall be diverted in this investment programme). Minimum Standards for facilities to be provided by Winning Concessionaire – where investment is specified as a requirement – and how that is transferred at end of concession contract or early termination.

7.4 Depots

Depots – Winning Concessionaire responsibilities. Typically expected facilities to be provided by Winning Concessionaire and how the ownership is transferred at end of concession contract or early termination to the next Concession Concessionaire (residual value assessed by an independent expert). Details of Land available by the MTCW and requirements for buses to be kept in Depot over night (in urban areas only, in remote rural areas the buses can be taken home by driver – need to present how the Concessionaire will manage service of vehicles on a routine basis – cleaning etc).

7.5 Other investments by the PT Operator

7.6 Methodology of evaluation of Consequences of no delivery & Financial Compensation to either contracted party

8. SCHEDULE 8: CONCESSION CONTRACT FINANCIAL PROVISIONS & REPORTING

Schedule 8 shall include inter alia:

8.1 Public Service Contribution per Contract year

- i. **Public Service Contribution per Contract year** based on initial economic offer which shall take into consideration all parameters that are relevant to the correct execution of the Concession Contract and assumptions for up to 2% inflation on all elements including:

- a. fuel cost increases,
- b. driver cost increases
- c. vehicle cost increases
- d. Local Cost of Living increases

The Concessionaires may assume lower than 2% inflation based on their projections, but such assumption shall not entitle them to any additional compensation by the Contracting Entity.

The Concessionaires shall provide full analysis of Public Service Contribution per Contract Year which shall include inter alia:

- i. The Concessionaires' projected income from Ticket Sales per year (10years+5years) taking into account MTCW Ticketing Policy. The Concessionaires assume full responsibility for the income risk,
- ii. plus Service Km cost,
- iii. driver/hr cost
- iv. vehicle purchasing cost
- v. Cost of capital
- vi. Administration cost
- vii. Their reasonable profit
- viii. Any other factor they consider important in the calculation such as operation speed etc in calculating service Km cost etc.

All the above shall be put in a mathematical formula that Concessionaires use demonstrably to calculate the Public Service Contribution per Contract Year. The Public Service Contribution formula shall be accompanied by full explanation.

Key elements of the Public Service Contribution per Contract Year formula (such as % contribution to the cost of fuel, driver, vehicle purchasing, cost of living) shall form the basis for the Adjustment of Public Service Contribution.

8.2 Adjustment of Public Service Contribution

- i. Adjustment of Public Service Contribution based on Key Factors if basic assumptions vary beyond the stated ranges $\pm 2\%$ (adjustment of Public Service Contribution based on measured changes in factors such as cost of living, fuel, labour, cost of fleet if new buses are purchased etc)
- ii. The Adjustment of Public Service Contribution shall be to the benefit of either Contracted Party accordingly.
- iii. Key elements of the Public Service Contribution per Contract Year formula (such as % contribution to the cost of fuel, driver, vehicle purchasing, cost of living), which shall form the basis for the Adjustment of Public Service Contribution and shall be checked against actual for the relevant year in accordance with Audited Accounts Data.

8.3 Methodology for Calculation of Cost for Variations to the Service

- i. Methodology for Cost Calculation of Variations to the Service (to calculate the cost of the changes to services including route extensions, new routes, increased frequency, route changes, additional fleet required to facilitate the change, administrative charge etc, allow for commercial margin and deduct revenues).
- ii. The Concessionaire may wish to implement extensions beyond the values indicated in Part A, paragraph 2.5, such as increased frequency of existing services or new service routes which he will deploy, within the scope of his concession contract and with the permission of the Contracting Entity, provided it shall have no additional costs to the Contracting Entity. No limit is put on such extensions.
- iii. All Concession Contract extensions shall fall under checks and measures to avoid over-compensation, taking into account the calculation of revenues from Ticket Sales. The calculation shall be based on marginal cost.

8.4 Calculation of Revenues from Ticket Sales

- i. Calculation of Revenues from Ticket Sales - ticket sales shall be monitored through the PT Telematics System. The Concessionaires carry full responsibility of the risk to Income from Tickets taking into account the MTCW Ticketing Policy. Their projections shall be fully analysed and included in their calculation required for section 8.1 "Public Service Contribution per Contract year".
- ii. Income attributed to variations to the Contracted Services shall fall under checks and measures to avoid over-compensation. The calculation shall be based on marginal cost and shall include the relevant monitoring of increases in Ticket Revenues.
- iii. The revenues over the due compensation shall be used for investment in Public Transport infrastructure in an agreed programme between Concessionaires and Contracting Entity (bus stop improvements, bus station improvements, public campaigns, improvements to the PT Telematics System etc).

8.5 Other Revenues

- i. **Revenues – Parcel Deliveries, Advertising on Buses and in Stations etc** (the Winning Concessionaires will have the right for additional income from activities not strictly related to their operations but for that full account shall be given in their Audited Accounts & Financial Reports). Such income shall count as additional income to Concession and therefore it shall count towards the calculation of overcompensation.
- ii. The revenues over the due compensation shall be used for investment in Public Transport infrastructure in an agreed programme between Concessionaires and Contracting Entity (bus stop improvements, bus station improvements, public campaigns, improvements to the PT Telematics System etc).

8.6 Other Public Transport Services

- i. **Other Public Transport Services** – the Concessionaire may be asked to provide other Public Transport Services where the market fails to deliver after open competition (e.g. say specific school routes or other). The methodology for cost calculation of variation to the Service – item 8.3 of this schedule applies.

8.7 Annual Audited Accounts & Financial Reporting

- i. **Annual Audited Accounts:** The Concessionaires have the obligation to submit to the Contracting Entity, on an annual basis Audited Accounts within three months from closing of each financial year.
- ii. **Financial Reporting:** The Concessionaire's Financial Reports shall include all relevant financial information presented in a structured manner and in a form easy to understand and accompanied by additional information and analysis and shall include important information for the purposes of easily evaluating the company's financial standing:
 - a. A balance sheet including company's assets and liabilities, and equity at a given point in time, including a statement on changes in equity since the contract start.
 - b. A report on company's income, expenses and profits over the period. This shall include specific analysis to provide the necessary data for calculations of 8.2, 8.3, 8.4, 8.5 and 8.6 of this Schedule.
 - c. A Statement of changes in equity or equity statement or statement of retained earnings, reports on the changes in equity of the company during the stated period.
 - d. A cash flow statement covering operating, investing and financing of activities.

9. SCHEDULE 9: TRANSFER OF EXISTING PERSONNEL, CONDITIONS & COLLECTIVE AGREEMENT

Schedule 9 shall include inter alia:

9.1 List of Personnel to be Transferred:

- i.* List of all Personnel to be transferred per Concession Contract (Number per category – eg. 300 Drivers, 10 Dispatchers etc & average salary per category).

9.2 Terms & Conditions of Concession Contract Collective Agreement:

- i.* Terms & Conditions of the Contract Collective Agreement (general principles to be clarified by the MTCW, Labour Ministry & Unions)

