

TRANSLATION 548/2016 - REGULATORY DECREE N°017/012. -----

CM/449.- Uruguay - Bicentenary 1811-2011.- Republic of Uruguay

- Ministry of Economy and Finance.- -----

Ministry of the Interior - Ministry of Foreign Affairs -

Ministry of Economy and Finance - Ministry of Defense -

Ministry of Education and Culture - Ministry of Transportation

and Public Works - Ministry of Industry, Energy and Mining -

Ministry of Labor and Welfare - Ministry of Health - Ministry

of Livestock, Agriculture and Fishing - Ministry of Tourism

and Sport - Ministry of Housing, Use of Land and Environment -

Ministry of Social Development.- -----

Montevideo, January 26, 2012.- -----

In view that on July 19, 2011 the Law N°18.786 was enacted,

this Law establishing the applicable regulating framework for

Public-Private Partnership.- -----

Whereas: I) the above Law provides a specific legal framework

to carry out public infrastructure works with private funds,

and this Law shall be mandatory for all Public-Private

Partnership contracts regulated by this Law;- -----

II) there is the need to regulate different aspects of the

statutory rules that facilitate the implementation and

execution of the Public-Private Partnership contracts by the

contracting Government entity and the Private Sector.- -----

And taking in consideration the above and that provided by

article 168, subsection 4 of the Constitution of the

Republic,- -----

THE PRESIDENT OF THE REPUBLIC, ACTING AT a session of the

council of Ministers, hereby decrees:- -----

CHAPTER 1 - LEGAL FRAMEWORK.- -----

Article 1.- Legal framework applicable to Public-Private Partnership contracts.- -----

The Public-Private Partnership contracts entered into by the contracting Government entities shall be regulated by Law N°18.786 of July 19, 2011 and this Regulatory Decree.- -----

Regarding all the issues not regulated by such statutory rules, the administrative procedures for contracts shall be applied as far as they are not incompatible with the former.- -

CHAPTER II - ORGANIZATION.- -----

Article 2.- Composition and appointment of the Technical Committee.- -----

The contracting Government entity shall appoint a Technical Committee for each Public-Private Partnership project. The Technical Committee shall be composed of a minimum of three and a maximum of five members, who shall advice during all the contracting procedure stages.- -----

The Technical Committee shall be appointed at the moment of the Public Call for Bids.- -----

Depending on the complexity of the Public-Private Partnership contract, the contracting Government entity shall resolve, with a justified decision, the number of members of the Technical Committee and shall proceed to appoint it.- -----

At least two members of the Technical Committee shall be officials of the contracting Government entity, one of them shall have an accredited experience on administrative contract

procedures and the other, who may or not belong to the contracting Government entity, shall have an acknowledged technical capacity on the subject matter of the contract.- ----

In the appointment proceedings, the member in charge of making the calls for bids and coordinate all the issues concerning the Technical Committee shall be designated.- -----

The appointed members shall submit an affidavit pursuant to Law N°17.060 of December 23, 1998, the Transparency and Public Ethic Board shall be informed on it.- -----

Article 3.- Mission of the Technical Committee.- -----

The Technical Committee shall have the following tasks: -----

- Advice the contracting Government entity during all the stages of the contracting procedure, ensuring that this procedure is been carried out observing transparency, swiftness and efficiency principles.- -----

- If applicable, to suggest the rejection of some or all the bids submitted when these do not comply with the conditions required in the contracting terms or these are evidently inconvenient.- -----

Article 4.- The Coordinating Committee for Public-Private Partnership Contracts Assessment.- -----

In order to achieve a coordinated action from the Planning and Budget Office and the Ministry of Economy and Finance as per Articles 18 and 47 of Law N°18.786 of July 19, 2011, both entities may create, in turn, a Coordinating Committee for Public-Private Partnership Contract Assessment, which shall be composed of two members, a representative appointed by the

Planning and Budget Office and other one designated by the Ministry of Economy and Finance.- -----

Article 5.- Composition and functions of the Public-Private Partnership Project Unit.- -----

The Public-Private Partnership Project Unit, created by Law N°18.786 of July 19, 2011, shall be composed of technical officials from the Ministry of Economy and Finance, its Director shall be appointed by the Minister of Economy and Finance and it shall operate at the Secretariat of the Ministry of Economy and Finance.- -----

Article 6.- Tasks of the Public-Private Partnership Project Unit.- -----

The Public-Private Partnership Project Unit shall have the following tasks: -----

- a) approve, with a prior report from the Planning and Budget Office, the technical guidelines applicable to the Public-Private Partnership projects; guidelines for best recommended practices, procedure standardization, manuals, models and instruments that contribute to the design and execution of such projects in an effective and efficient way.- -----
- b) carry out the follow-up of the economic-financial issues related to the Public-Private Partnership project and their execution.- -----
- c) verify the compliance of budget issues related to the Public-Private Partnership project and their execution.- -----
- d) assess fiscal feasibility.- -----
- e) assess risks associated to projects.- -----

- f) assess the convenience of the project implementation by way of Public-Private Partnership contracts against a Public Investment implementation.- -----
- g) perform the analysis assigned to the Ministry of Economy and Finance in Law N°18.786 of July 19, 2011.- -----
- h) give opinion about the accounting treatment of contracts.-
- i) define the methodology to quantify the limits established in Article 62 of Law N°18.786 of July 19, 2011.- -----
- j) analyze reports that the contracting Government entity shall send to the Public-Private Project Unit by virtue of Article 39 of Law N°18.786 of July 19, 2011.- -----
- k) manage the register of Public-Private Partnerships.- -----
- l) manage the register of Public-Private Partnership external contract auditors.- -----
- m) recommend the contracting Government entity hiring external audits for control.- -----

Article 7.- Pronouncement of the Ministry of Economy and Finance and the Planning and Budget Office.- -----

The term in which they must pronounce their decisions shall be determined in each case and by mutual agreement with the contracting Government entity, in relation with the complexity of each Public-Private Partnership project submitted to them.-

The term so established shall be adjourned when the Planning and Budget Office and/or the Ministry of Economy and Finance would require more information or supplementary studies to the contracting Government entity.- -----

Article 8.- Project registration.- -----

The Ministry of Economy and Finance shall be in charge of the Public-Private Partnership Project Registry through its Public-Private Partnership Project Unit. -----

Such Registry shall be made up by the following sections: -----

*Public-Private Partnership Projects.- -----

*Public-Private Partnership Contracts.- -----

*Public-Private Partnership Contract Auditors.- -----

The registrations shall be made following the formalities that the Public-Private Partnership Project Unit so determines.- ---

Article 9.- Registrable acts.- -----

Section of Public-Private Partnership Projects. The following acts may be registered: -----

*Public initiatives.- -----

*Preliminary studies.- -----

*Private initiatives for Public-Private Partnership project development that had been accepted, with or without modifications, by the contracting Government entity.- -----

Section of Public-Private Partnership Contracts.- The following acts may be registered: -----

*Resolutions by which the Public-Private Partnership contracts are awarded, either in an interim or final way.- -----

*Public-Private Partnership contracts that were signed by the contracting Government entity and the contractor.- -----

* Resolutions that impose penalties on the contractor during the implementation and/or the execution of a Public-Private Partnership contract.- -----

* Guarantees granted.- -----

- * Public-Private Partnership project audit reports.- -----
 - * Annual payments made to the contractor.- -----
 - * Assignments of a Public-Private Partnership contract.- -----
 - * Any amendments to a Public-Private Partnership contract.- ---
 - * Terminations of a Public-Private Partnership contract and their cause.- -----
 - * Objections and appeals against registrable acts.- -----
 - * Arbitration awards from an Arbitration Tribunal that apply on dispute resolutions that may occur in a Public-Private Partnership contract.- -----
- Section Public-Private Partnership Contract Auditors. The following acts may be registered: -----
- * The authorized auditors to perform audits related to contract executions.- -----
 - * Termination of Public-Private Partnership contracts.- -----

Article 10.- Project Implementation by the National Corporation for Development.- -----

The project implementation of Public-Private Partnership projects by the National Corporation for Development as per Article 11 of Law N° 18.786 of July 19, 2011 may be applied to projects whose total investment amount does not exceed 850 million Indexed Units.- -----

The Government, when authorizing a Public-Private Partnership project implemented by the National Corporation for Development, shall establish the term within which the Corporation shall transfer the project to the private sector. This term shall never exceed 36 months, as from the operation

start-up.- -----

Article 11.- Project structuring.- -----

Project structuring, as defined in Article 10 of Law 18.786 of July 19, 2011, comprises: -----

* Advising and preparation of preliminary studies.- -----

* Advising during the preparation of the contractual terms, bidding documents, competitive procedures and Public-Private Partnership contracts.- -----

* Advising during the analysis of the bids.- -----

* Assisting the Technical Committee to comply with its duties.- -----

* Advising on elaborating control and follow-up schedules.- ---

Additionally, as part of the structuring, the National Corporation for Development may take part as a trustee with the purpose of control.- -----

CHAPTER III - PRELIMINARY STUDIES AND CONTRACTUAL TERMS.- -----

Article 12.- Beginning of the process.- -----

The process intended to sign a Public-Private Partnership contract may start up by a public initiative, otherwise it may commence by a private initiative presented by a proponent, in which case it shall follow the proceedings provided by in Article 15 of the Law N° 18.786 and Article 49 and following of this regulatory decree.- -----

Article 13.- Preliminary assessment studies.- -----

The preliminary assessment studies referred to by Article 16 of Law 18.786 of July 19, 2011 shall be carried out by the contracting Government entity according to the Best

Recommended Practices. Such studies shall be divided in the following stages: -----

* Profile and eligibility of the project.- -----

* Feasibility.- -----

* Assessment document.- -----

Article 14.- Guidelines for the Best Recommended Practices.- -

The National Corporation for Development shall produce the Best Recommended Practices Guidelines in a period no longer than 30 days after the publication of the Regulatory Decree. The Ministry of Economy and Finance, with a prior report from the Planning and Budget Office, shall approve this Guidelines with or without amendments.- -----

The studies performed based on the Best Recommended Practices Guidelines shall constitute an important element in order to elaborate the reports that fall to the Ministry of Economy and Finance and the Planning and Budget Office.- -----

Article 15.- Profile of the Project.- -----

When the contracting Government entity proposes an initiative that can be carried out as a Public-Private Partnership, this entity shall make a Project Profile. This Profile shall be presented before the Planning and Budget Office and the Ministry of Economy and finances so that the project relevance, its consistency with the investment strategic plan, its pre-tax feasibility and coherence with other Government goals are analyzed.- -----

Article 16.- Project Eligibility.- -----

Together with the Project Profile, the contracting Government

entity shall submit the evaluation regarding the Eligibility of the project to the Planning and Budget Office and the Ministry of Economy and Finance.- -----

In this instance, the contracting Government entity shall explain the technical, legal and financial bases for which the project may be implemented as a Public-Private Partnership Contract.- -----

Article 17.- Feasibility.- -----

Once the report from the Planning and Budget Office is obtained as per Article 18 of Law N°18.786 of July 19, 2011, the contracting Government entity shall produce a Feasibility study. This study shall be submitted to the Planning and Budget Office and the Ministry of Economy and Finance for their consideration and information. The submission of the study shall be done within a maximum period of 12 months as from obtained the above report.- -----

Article 18.- Assessment document- -----

Once the Planning and Budget Office and the Ministry of Economy and Finance have obtained the report mentioned by Article 18 of Law n°18.786 of July 19, 2011, the contracting Government entity shall elaborate a document that shall include: -----

* A quantitative analysis showing that the proposed contract modality is the one that allows the Government to obtain the "Best Value for Money".- -----

* A qualitative analysis that justifies the proposed risk assignment and that the adoption of this contract modality is

the one that best satisfies public goals.- -----

* Consistency with future expenditures related to the Contract with its budget estimates.- -----

The document shall be submitted to the Planning and Budget Office and the Ministry of Economy and Finance within a maximum period of eight months as from the delivery of the report as referred to by the first subsection of this article.- -----

Article 19.- General contracting terms.- -----

After the Planning and Budget Office and the Ministry of Economy and Finance have sent the report about the preliminary assessment as mentioned in the above article, the contracting Government entity shall produce the general contractual terms and the contract draft.- -----

As far as possible in this stage, the contractual terms shall contain the following points: -----

* Competitive procedure to be employed.- -----

* Description of the object of the contract and scoping of the activities to be carried out.- -----

*Special and technical conditions and requisites, and financial solvency required to the applicants.- -----

* Indication of the main factors that shall be considered on assessing the bids, specifying the qualification and awarding criteria.- -----

* Conditions and mechanisms for risk sharing between the contractor and the contracting party.- -----

* Causes and procedures to determine remuneration variations

during the contract execution period and the applicable criteria concerning the balance of the economic-financial equation of the contract.- -----

* Destination of the works and equipment.- -----

* Bid and contract performance securities.- -----

* All other items that may be determined in this instance and that may contribute to ensure a better understanding of the issues of the contract.- -----

* Legal basis and conditions regarding contract amendments as per Articles 47 and 48 of Law N°18.786 of July 19, 2011.- -----

* Definition of the notion of abnormal or disproportionate values in case that the competitive procedure so requires it.-

* Definition of the notion substantial deviations as referred to by Article 29 of this Regulatory Decree.- -----

* Alternative control systems by the contracting Government entity and their costs.- -----

* Applicable conditions for competitive procedure expenses, in case of high complexity projects that may so require it.- -----

The contractual terms and the contract draft shall be submitted to the Planning and Budget Office and the Ministry of Economy and Finance for their approval. The documents must be submitted within a maximum period of six months as from the reception of the report mentioned in the first subsection of this Article.- -----

CHAPTER 4 - CONTRACTING PROCEDURE.- -----

Article 20.- Public call for bids.- -----

The contracting procedure shall begin with a public call for

bids.- -----

The public call for bids must at least contain the following information: -----

- * Identification of the contracting Government entity.- -----
- * Object of the call in order to allow an easy understanding by the prospective bidders.- -----
- * The competitive contracting procedure to be used.- -----
- * Place and dates to purchase the contracting bases and other specifications related to the call.- -----

Article 21.- Publications.- -----

The public call for bids shall be published in the Government purchase website without prejudice of other means that may be deemed convenient to ensure the publicity of the call. The publication must be carried out at least 30 days prior to the submission of the bids.- -----

Article 22.- Money laundering and terrorism financing prevention.- -----

Any public call for bids must include as a requisite that the interim awardee shall present information related to the type of company for an adequate identification and knowledge of the final beneficiary in case of entering into contracts with the Government as well as the origin of the funds that are intended to be used during the execution of the project under the legal framework in force regarding money laundering and terrorism financing prevention. The Government may require clarifications and more information as deemed appropriate. The interim awardee shall present this information before the

final award. In case this information was not submitted, the interim award shall be void.- -----

In this respect, a report shall be requested to the Information and Financial Analysis Unit of the Central Bank of Uruguay before the final award.- -----

Article 23.- Submission of the bids.- -----

The submission of the bids shall be done on the day and at the hour previously fixed and in the format required by the contractual terms.- -----

The bids shall include all the items required and necessary to carry out the project, in accordance with the contractual terms. Any supplementary information may be added but no requirement may be omitted.- -----

The bidders must submit a letter of commitment indicating that, in case of award, a Special Purpose Vehicle (SPV) shall be formed. This company shall be duly constituted in a period of 20 working days as from the interim award was notified by a justified resolution as per Article 23 of Law N°18.786 of July 19, 2011. Additionally, the bidder shall have deposited the bid security.- -----

Regarding the identification of the bidder, all data identifying the natural or legal person(s) must be clear.- ----

Furthermore, an electronic domicile (e-mail) must be established for the contractual proceedings.- -----

Article 24.- Opening of bids.- -----

The bid opening shall be publicly made in the place, on the date and at the hour fixed before whom the contracting

Government entity shall appoint to that purpose and the bidders or their representatives, who wish to attend to the opening.- -----

Once the opening is made, no modifications may be made on any of the bids, however the bidders present may make declarations, ask for clarifications or contest if they so wish.- -----

During this act no bid may be rejected without prejudice of its later invalidation, and it shall be controlled if there is proof of deposit of guarantees when applicable.- -----

Once the opening is finished, the minutes shall be drawn up, which shall be signed by the acting officials and the bidders who so wish it, who may therein express the protests they deemed necessary.- -----

An initial acceptance of a bid shall not be an impediment for its later rejection if there were defects that violate the legal or substantial requisites contained in the relative bidding documents.- -----

The Government may grant the bidders a maximum period of five working days to correct defects, formal deficiencies or evident errors or minor mistakes; this period may be extended in case of suppliers from abroad, and in that case it shall be applied to all bidders.- -----

In the contents of the bids, confidential information shall be considered that regulated by Article 10 of Law 18381 of October 17, 2008.- -----

Article 25.- Deposit of the Bid Security.- -----

The bidders shall deposit a bid security before the bid opening by a cash deposit or government securities, surety bond or banking guaranty, whether in local currency or foreign currency that the Government shall expressly determine in the bidding documents. At any rate, the guaranties deposited must be valid at least 180 days.- -----

Article 26.- Guaranties.- -----

The bid and contract performance securities shall be governed by Articles 25, 26, 27, 28, 29 and 30 of the Law 18.786 of July 19, 2011 and that established by this Regulatory Decree.-

Article 27.- Duration of the bid security.- -----

The contracting Government entity shall require that the bidders deposit bid security pursuant to Article 25 of Law 18.786 of July 19, 2011.- -----

The bid security must be valid as from 30 working days before the interim bid award.- -----

The interim awardee shall have 30 working days as from the interim bid award to deposit the contract performance security.- -----

The bid security shall be kept by the contracting Government entity under the conditions established by Article 26 of Law 18786 of July 19, 2011.- -----

The securities that are not to be kept shall automatically be given back by authorized Government's officials, or upon request of the interested party, with a prior report from the staff duly authorized for such matters.- -----

Article 28.- Examination of the bids.- -----

The bids shall be examined by the Technical Committee in accordance with the assessment criteria established in the related contractual terms. In each case the contractual terms shall establish the maximum period in which the Technical Committee must announce its decision and the conditions under which these deadlines can be extended.- -----

For the assessment of the bid, the Technical Committee may request the bidder the necessary clarifications but they may not allow the bids to be modified nor ask for the modification of the bid. Additionally, the Technical Committee may request the advise that deems necessary.- -----

Article 29.- Evaluation of the bids.- -----

In a first instance, the Technical Committee shall evaluate the bids considering the compliance of formal aspects and technical and financial requirements.- -----

The bids that substantially deviate from the requirements of the contractual terms may not be considered. The bids shall reasonably adjust to technical and financial requisites and the object stipulated in the contractual terms, taking in consideration the technical complexity of the call for bids.- -

In a second instance, the Technical Committee shall evaluate the offers considering the requirements stipulated in the contractual terms and, if applicable, the following: -----

* The right understanding of the object of the contract and the contractual terms.- -----

* Background and experience of the bidder in matters regarding the object of the contract, and especially, the bidder's

technical expertise and financial solvency.- -----

* The quality of the services to be rendered and the value and suitability of the bid.- -----

* Economic offer.- -----

* The formula used to review the remunerations related to the use of the works or service rendering.- -----

* The execution or delivery terms.- -----

* The operation cost and the financial conditions of the economic benefits.- -----

* Guaranties offered.- -----

* Aesthetic or functional features considered in the project, as well as any other relevant element for the contract.- -----

Prior to the evaluation that is mentioned in the third subsection of this Article, the Technical Committee shall send a copy of the bids examined to the Public-Private Partnership Project Unit.- -----

Article 30.- Report from the Technical Committee.- -----

The Technical Committee shall elaborate a report in which it shall classify the bids ranked according to the award criteria provided by the contractual terms. This report must contain the bases to back up the admissibility criteria and the ranking proposed, and the Technical Committee shall send it to the authorizing official with all the relevant documents.- ----

If applicable, the Technical Committee may suggest the rejection of some or all the bids submitted in accordance with the bid acceptation and qualification criteria regulated in the contractual terms.- -----

Article 31.- Report from the Public-Private Partnership Unit.-

The contracting Government entity, upon having analyzed the report from the Technical Committee, shall communicate the Public-Private Partnership Project Unit the result of the bid examination, which shall produce the report as required by Article 23 of Law 18.786 of July 19, 2011. In order to make this report, the Public-Private Partnership Project Unit shall review the bid in accordance with the preliminary studies and shall confirm the attainment of Value for Money.- -----

After the pronouncement of the Public-Private Partnership Project Unit, the contracting Government entity shall give access to the proceedings to the bidders during a 15 working days term. In case that the Public-Private Partnership Project Unit objects the Technical Committee report, the access to the proceedings for the bidders shall take place once the contracting Government entity has answered the objections raised.- -----

During the period to access the proceedings, the bidders may contest in writing controversial points of the proceedings and the report from the Technical Committee.- -----

It shall not be necessary to wait the period given to lapse if the bidders declare they do not have protests to make.- -----

Article 32.- Bid interim award.- -----

The contracting Government entity shall perform the interim award, or the rejection of the bids submitted, which shall be notified to all the bidders.- -----

The award shall be conferred to the bid most advantageous to

the Government's interests and service needs, expressly declaring the bases on which the resolution was adopted.- -----
In this resolution the essential issues of the contract shall be established. -----

Article 33.- Intervention of the Court of Audits.- -----

The interim award shall be examined by the Court of Audits.- --

Article 34.- Final awarding of the bids.- -----

The Government shall establish a period no shorter than 30 working days to whom was ranked in the first place of the interim award, in order to let the bidder submit all the documents whose submission had been postponed until this stage, as well as to deposit the contract performance security.- -----

The final award by the contracting Government entity may not be performed before 30 working days have elapsed as from the last interim award notification served on the bidders.- -----

The final award shall be notified to each one of the bidders and the Court of Audits.- -----

Article 35.- New interim award.- -----

When it is not possible to grant a final award of the contract to the bidder selected according to the interim award, since the bidder does not comply with the conditions postponed to this stage, the contracting Government entity may perform a new interim award to the following bidder or bidders provided that this is possible and that the new prospective awardee agrees to it.- -----

The new award shall previously require a report from the

Public-Private Partnership Project Unit.- -----

The interim award resolution shall be distributed to all the bidders, and the proceedings for the final award shall go on.-

Article 36.- Consent from the new awardee and validity of the bid security.- -----

The consent referred to by subsection seven of Article 23 of Law 18.786 of July 19, 2011 shall be deemed as granted by whom was not appointed as interim awardee in the first instance if a notice notifying the withdrawal of the bid security was not served on the contracting Government entity within a period of 10 working days as from the interim award.- -----

Article 37.- Legal basis for the contract performance security.- -----

The contracting Government entity shall require from the awardee a contract performance security by cash deposit or Government securities, bid bond or banking guaranty, whether in local or foreign currency, as the Government expressly determines in the bidding documents.- -----

When the particularities of the contract so requires it, the contracting Government entity may set out other guaranty modalities and/or establish guaranty amounts variable in time depending on the degree of progress or fulfillment of the project. -----

The awardee may apply the bid security to the contract performance security or deposit a new one.- -----

Article 38.- Deposit of the contract performance security.- ---

The contract performance security shall be deposited by the

awardee during the terms set out by the contracting Government entity.- -----

The contract award may be vacated if the awardee does not comply with the guaranty deposit in the period so established, without prejudice of the loss of the bid security previously deposited in favor of the contracting Government entity.- -----

Article 39.- Terms for the contracting administrative proceedings.- -----

The terms indicated in the contracting procedure are counted in calendar days, excepting those in which it is expressly established that they are computed in working days. To that purpose, working days are defined as those in which the contracting Government entity works.- -----

The terms shall be computed as from the day after which the notification or publication of the act is made.- -----

The terms expire the last working moment of the business hours of the relative day. In case this term expiry takes place on a holyday or non-working day, this term shall be extended until the immediately following working day.- -----

Article 40.- Notifications of the contracting administrative proceedings.- -----

The memos and resolutions from the contracting Government entity rendered by during the contracting proceedings shall be personally served on the interested party.- -----

This personal notification shall be made at the electronic domicile fixed by the awardee (e-mail). The notification shall be deemed as served when it is available in the destination

mail-box.- -----
The notifications that must be accompanied by documents issued on paper shall be deemed as served when the interested party takes them on or has access to the related copies, proceedings or administrative file, recording proof of this notification, or otherwise, after three working days have elapsed as from the following day in which the electronic communication was available at the mailbox of the interested party, provided that the documents were available for consultation at the relative Government office.- -----

Article 41.- Consultation of administrative proceedings.- -----

The interested party or their attorneys-at-law may consult the administrative proceedings any time, except for the document pieces that are confidential, restricted or secret (Articles 8, 9 and 10 of Law N°18.381 of October 17, 2008) or when this may represent a hindrance for ongoing normal proceedings or a certain damage for other interested parties' rights.- -----

Under no circumstances may the consultation of the proceedings be hindered based on reasons of secret, restriction or confidentiality for the interested party during the contracting procedure, and it shall not affect the bidders' right of defense during the contracting procedure.- -----

To allow the consultations of the documents of the proceedings or file a notice of appeal, the access to the proceedings may not be limited; the Government office may remove from the records such documents that may be confidential, restricted or secret, provided that they do not refer to the situation of

the interested party and should have been used for a decision to be adopted.- -----

If the proceedings file may not be consulted by the interested party, the terms shall be computed as from the day on which the access to the file is possible. In that case, such event must be expressly recorded.- -----

The withdrawal of the administrative proceedings copies shall be under the responsibility of the attorney-at-law, who shall duly sign a receipt for them.- -----

If the attorney-at-law were not registered in the administrative proceedings, the interested party shall declare these attorneys-at-law and their names, which may be done by a simple verbal declaration whose details shall be recorded on the file.- -----

CHAPTER V.- PRIVATE INITIATIVE.- -----

Article 42.- Submission to the National Corporation for Development.- -----

The private initiatives, whose execution under the proponent's opinion would require the implementation of a Public-Private Partnership Contract, shall be submitted before the National Corporation for Development.- -----

Article 43.- Contents of the documents.- -----

The documents submitted must be accompanied with all the information related to the project, and mandatorily shall contain in the following order: -----

a) Complete names and surnames of the proponent's and a photocopy of his ID Card, or Company Identification as the

case may be, domicile and domicile by choice for such purpose, phone, fax, e-mail. If it is a legal person, a certificate demonstrating its existence and good standing must be added as well as the powers of its legal representatives (attorneys-in-fact) and those of the grantors.- -----

b) TIN (Tax Identification Number (RUT)).- -----

c) Registration number at the Uruguayan Welfare Authority (BPS).- -----

d) Name and type of the project.- -----

e) Precise geographical location and area of influence.- -----

f) A project description, explaining the works to be done and services to be rendered.- -----

g) Competent Government entity.- -----

h) Any other item or data that the proponent deems as being of interest for a better understanding of the project.- -----

A guaranty to keep the initiative equivalent to 0.5% of the investment amount must be deposited under a minimum term of 180 days.- -----

Article 44.- Pre-feasibility study.- -----

The proponent shall accompany his initiative with a pre-feasibility study showing its viability at this stage, which must mandatorily be included and shall indicate: -----

a) Plots of land where the works would take place, their owners and the need, if required, to expropriate in whole or in part.- -----

b) An estimate of the demand and its annual growth, indicating the expected variation percentage.- -----

- c) Estimated investment and operation costs, including the expected variation percentage.- -----
- d) Financial analysis as profile. -----
- e) Social assessment as profile, including non-charging options that may be offered with this service.- -----
- f) Risks associated with the initiative.- -----
- g) Financial conditions that may present the contract under charging issues and/or subsidies, payments and public services that may be deemed necessary.- -----
- h) Environmental analysis that may allow to assess the project impact.- -----
- i) Any other item or data that may be deemed convenient for the best assessment of the initiative.- -----

In all cases, the bases and justification for the above must be expressed and the information sources must be indicated. ---

Article 45.- Formalities of the pre-feasibility studies.- -----

The presentation of the pre-feasibility study shall be made with an original document and three copies duly signed on all pages by the proponent or his legal representatives.- -----

The National Corporation for Development shall register the date and time of the reception of each document, and in that instance the Corporation shall return a duly registered copy to the proponent.- -----

In case that on complying with the Article 61 of Law N°18.786 of July 19, 2011, the National Corporation for Development receives, within the legal term, ongoing initiatives submitted under Articles 19 and 20 of Law N°17.555 of September 18,

2002, the National Corporation for Development shall give a receipt to the Ministry or entity sending of the initiative, and shall communicate its reception to the proponent before a thirty calendar day period elapses.- -----

Within a 15 working day term, the National Corporation for Development shall examine if the initiative submitted or transferred complies with the formal requirements.- -----

The Corporation may grant a maximum term of 15 calendar days in order that the proponent corrects the errors or omissions incurred and provides supplementary information requested in particular by the National Corporation of Development. During this period, the term for the Corporation to pronounce its decision shall stop. -----

Article 46.- Assessment of the pre-feasibility study by the National Corporation for Development.- -----

Once the requested information has been submitted, the National Corporation for Development shall proceed to technically assess the proposal and within a subsequent maximum 30 calendar days, the Corporation shall send the related report to the competent Government office.- -----

The evaluation shall necessarily express if the initiative: ---

a) Is comprised or not in the scope of implementation provided by Article 3 of Law n° 18.786 of July 19, 2011.- -----

b) Complies or not with the general principles and orientations required by Article 4 of Law n° 18.786 of July 19, 2011.- -----

c) Can be executed by a Public-Private Partnership Contract,

or there are alternative modalities of contracts that allow a better attainment of the public goals. To this purpose, a comparative analysis with alternate types of contracts must be submitted, expressed in technical, legal, financial, social impact and environmental terms so that they justify the option reported.- -----

d) Is viable or not regarding its pre-feasibility, and if modifications must be made, and if so, which ones. -----

Article 47.- Non-binding nature of the pronouncement of the National Corporation for Development.- -----

The technical assessment made by the National Corporation for Development has an advisor nature, it is not binding nor mandatory for the competent Government office and it does not imply any approval nor does it creates any right in favor of the proponent.- -----

Article 48.- Pronouncement of the contracting Government entity. -----

Once the technical report mentioned above is received, the contracting Government entity must resolve about the acceptance, modification or rejection of the initiative, which shall be personally notified to the proponent.- -----

If the initiative has been accepted, whether with or without modifications, the proponent shall elaborate a feasibility study of the project, observing the guidelines indicated by the Government, pursuant to Article 16 of Law N°18.786, if applicable, and to the requirements specified by the contracting Government entity.- -----

The term for the preparation of such study shall be fixed in each case and by mutual agreement with the contracting Government entity, according to the complexity of the project.- -----

In case that for any reason the proponent does not carry out the feasibility studies within the term agreed, the Government may perform them by itself or hire them according to the contracting procedures as the case may be, and the proponent shall lose any right to receive any consideration or benefit thereof.- -----

Article 49.- Evaluation by the contracting Government entity of the feasibility study submitted by the proponent.- -----

The contracting Government entity shall analyze the studies submitted by the proponent, and if these studies are approved, the contracting Government entity shall produce an assessment document that shall show the feasibility and convenience of the initiative so submitted, the preliminary studies and the contractual terms.- -----

Article 50.- Report from the Planning and Budget Office and the Ministry of Economy and Finance.- -----

The preliminary assessment studies and contractual terms to which the above article refers shall be submitted to the Planning and Budget Office and the Ministry of Economy and Finance.- -----

Article 51.- Public call for bids. -----

Once the above report is obtained, the contracting Government entity may call for bids as per Article 19 of Law N°18.786 of

July 19, 2011.- -----

Article 52.- Proponent's rights.- -----

The proponent of a private initiative shall have the rights and preferences established by Article 37 of Law N°18786 of July 19, 2011.- -----

In order to obtain the reimbursement of the expenses associated with the feasibility study, the expenses must have been previously approved by the contracting Government entity. To that purpose the proponent shall present a cost estimate prior to the elaboration of the feasibility study and the proponent shall also present a detailed report for their settlement once the study has been concluded. If a 30 day period has elapsed without a pronouncement from the contracting Government entity, the feasibility study shall be deemed as approved.- -----

Article 53.- Confidentiality of the private initiative.- -----

Any information concerning the private initiative shall be confidential.- -----

Such confidentiality shall be kept until the moment in which the contracting Government entity pronounces its decision to make a public call for bids to participate in a competitive dialogue or to submit bids. Under no circumstances may the confidentiality be used in case of Government offices, which under law N°18.786 of July 19, 2011 must pronounce on the private initiative submitted.- -----

If there was not a public call for bids, the confidentiality shall be kept for a two years period, as from the submission

of the initiative to the National Corporation for Development.- -----

CHAPTER VI - COMPETITIVE DIALOGUE.- -----

Article 54.- Purpose.- -----

The competitive dialogue has the purpose of obtaining the contribution of specialized technical means from the private sector to attain the best solutions to satisfy the public needs that have been identified by the contracting Government entity, as well as of establishing the essential features that the contractor and the project must possess to achieve the best economic efficiency during the execution of the Public-Private Partnership Contract.- -----

Article 55. Commencement of the competitive dialogue.- -----

In case of opting for a competitive dialogue procedure, the contracting Government entity shall call for bids to participate in a competitive dialogue. This call must contain at least the following items: -----

- * Period of duration of the Competitive Dialogue.- -----
- * Identification of the contracting Government entity.- -----
- * Delimitation of the formal aspects of the call susceptible to be identified in this stage, such as: -----
 - Object of the contract.- -----
 - Requirements of technical and financial capacities.- -----
 - Requirements of money laundering prevention as referred to by Article 22 of this Regulatory Decree.- -----
 - A determination if once concluded the dialogue, only those having taken part in the dialogue may submit bids, or if the

- bid submission shall be open to any interested party.- -----
- Competitive method to be used for awarding the contract and a brief indication of its stages.- -----
- Granting of preferences or compensations for the participants to the competitive dialogue.- -----
- Requirements for those who have not taken part in the Competitive Dialogue, if applicable.- -----
- Applicable assessment criteria for the selection of applications to participate.- -----
- Contents and formalities to be met for the applications to participate in the Competitive Dialogue.- -----
- Items not subject to the Dialogue.- -----
- Place and date in which the applications to participate must be submitted.- -----
- _ Date on which the competitive dialogue stage shall begin.- --
- Qualification and disqualification criteria applied to the interested parties in order to proceed with the competitive dialogue.- -----

Article 56. Publicity of the call for a competitive dialogue.-

The call to participate in the competitive dialogue shall be published in the website for Government contracts without prejudice of other media that must be deemed convenient to ensure the publicity of the act.- -----

The publication shall be done at least 30 days before the date on which the applications to participate in the competitive dialogue must be submitted, or no less than 45 days period when it is deemed necessary or convenient the attendance of

proponents residing abroad.- -----

Article 57. Submission of applications to participate in the competitive dialogue.- -----

The submission of applications to participate in the competitive dialogue shall be presented according to the terms and conditions established in the call. -----

Article 58. Evaluation of the applications presented to participate in the competitive dialogue. -----

The contracting Government entity shall select the applicants that have complied with the requisites of technical and financial capacity required, as well as with the qualification and disqualification requirements provided by Article 55 of this Regulatory Decree, who shall be notified thereof and may continue to the following stage.- -----

During the competitive dialogue procedure, the contracting Government entity may hold negotiations with the interested parties, together or individually, in order to obtain the necessary supplies to produce the preliminary studies and contractual terms referred to by Articles 16 and 18 of Law N°18.786 ensuring fairness and equal treatment as provided by Article 20 of this Law.- -----

Article 59. Procedure.- -----

The contracting Government entity by a justified resolution may apply the dialogue procedure with the applicants that have submitted their application to participate in this stage, and have been selected according to Article 58 of this Regulatory Decree.- -----

Article 60. Proceedings of the competitive dialogue.- -----

The proceedings may be structured in subsequent phases, in order to progressively diminish the number of solutions to be examined during this state of the competitive dialogue.- -----

During these proceedings, any features of the contract may be individually discussed with each one of the applicants and especially those which are essential items of the contract pursuant to Article 17 of Law n° 18.786 of July 19, 2011 in order to contribute to the definition of the Special Conditions of Contract (specifications)- -----

All the acts must be recorded in minutes, which must be signed by the contracting Government entity officials and the interested parties participating in this dialogue. Additionally, the contracting Government entity may register the different instances of the dialogue with the technical means that are deemed convenient.- -----

Article 61. Closure of the competitive dialogue.- -----

Once adequate solutions for the object of the contract have been attained in opinion of contracting Government entity, the dialogue stage shall be concluded by the contracting Government entity, which shall be notified to the participants to the dialogue and the preliminary studies and contractual terms shall be drawn up as per Articles 16 and 18 of Law N°18.786 of July 19, 2011.- -----

After declaring the competitive dialogue concluded, the public call for bids shall be carried out.- -----

In case the bid submission were limited only for those who

have participated in the dialogue stage, the contracting Government entity shall personally notify each participant the date and conditions in which the bids shall be received. The notification shall identify all the necessary items to be contained in the bid. This procedure shall not be applied in case that during the dialogue stage there has been only one participant, and a public call for bids shall be made as per Articles 19 of Law N°18.786 of July 19, 2011.- -----

Article 62. Equity and confidentiality.- -----

In the competitive dialogue an equitable treatment must be given to all participants, and in particular no information should be given to them discriminately, so that they could gain unfair advantages against the rest. A participant's solution or other confidential data should not be disclosed to the other participants without the participant's previous consent.- -----

Article 63. Terms and notifications.- -----

The terms and notifications during the competitive dialogue shall be governed by Article 55 of this Regulatory Decree.- ---

CHAPTER VII - PUBLIC-PRIVATE PARTNERSHIP CONTRACTS.- -----

Article 64. Formalization of the Contract.- -----

The contract shall be entered into in writing and in accordance with the contractual terms, within a period that may not be shorter than 10 working days nor longer than 30 working days, as from the day after the last notification of the final award, provided that there were no administrative recourses against the award.- -----

In case there were administrative recourses against the final award, the contract shall be entered into in writing or within a period of 30 working days as from the moment in which the award remains final or, as the case may be, as from the lifting of the suspensive effects of the recourse.- -----

When due to reasons attributed to the final awardee the contract was not entered into within the above period, the contracting Government entity may revoke the award, as well as proceed to the enforcement of the bid security deposited.- ----

Article 65. Contents of the contract.- -----

The Public-Private Partnership contracts shall include all items that allow the correct execution of the object of the contract, the delimitation of the obligations assumed by each party and especially the items mentioned in Article 17 of Law N°18.786 of July 19, 2011.- -----

Furthermore, the contract shall stipulate the obligation of the contractor to apply regulations concerning technical, environmental, accessibility, user's hindrances removal and safety issues according to the time and advancement of science.- -----

CHAPTER VIII - EXECUTION OF THE PUBLIC-PRIVATE PARTNERSHIP CONTRACT.- -----

Article 66. Competence of Control.- -----

The contracting Government entity shall be competent to control the fulfillment of the contract, it shall report to the Public-Private Partnership Project Unit with a bi-annual periodicity, about the progress of the contract execution and

about any substantial alteration or default within 10 working days as from the happening of the event. To this purpose, a substantial alteration is defined as any intention to modify the contract unilaterally, bilaterally or renegotiation of the same.- -----

The above mentioned reports shall be elaborated following the guidelines of the Best Recommended Practices - Guidelines to present control and follow-up reports by the Ministry of Economy and Finance and the Planning and Budgeting Office.- ---

Article 67. Instruments to implement control functions. -----

To implement control functions, the contracting Government entity shall possess ample powers and may use different instruments to carry out activities such as information requests, external audits, performance assessment, inspections and experts reports.- -----

To that purpose, the contractor, subcontractors and suppliers to the main contractor shall be bound to submit, when required by the contracting Government entity, any information and documents related to the fulfillment of the contract, without opposing trade secret reasons to that purpose.- -----

In case the contracting Government entity requires external auditing services, the auditor must appear in the Auditor Register that the Public-Private Partnership Project Unit shall provide.- -----

Article 68. Audit requests by the Public-Private Partnership Project Unit- -----

The Public-Private Partnership Project Unit may, by a

justified report, recommend the contracting Government entity hiring specific external audits to help ensure the correct follow-up of the contracts, and the audit scope and goals must be indicated.- -----

Article 69. Penalties.- -----

The contracts signed for Public-Private Partnership project development shall establish the penalties applicable in case of default or non-compliance of the object of the contract, as well as aggravating or mitigating factors as the case may be. The penalties shall be graded considering their gravity and non-compliances repetitions, up to the termination of the contract.- -----

Article 70. Extension of the contract performance security.- --

In case there are penalties enforced on the contract performance security or compensations claimed to the awardee (articles 28 and 44 of Law N°18.786 of July 19, 2011), the awardee must replace or extend the guarantee with the necessary amount within a period of 15 days as from the application of the penalty, otherwise this constitutes a cause for termination of the contract.- -----

When the contract suffers a variation of prices, the guarantee shall be readjusted so that it keeps the same ratio with the new price. The new guarantee must be deposited within a 15 day term as from the date on which the contractor is notified about the contract amendment. The amount to be readjusted shall be defined in each case according to the criteria established in the contract or otherwise with the mutual

agreement of the parties.- -----

Article 71. Contract amendment by the Government.- -----

The Public-Private Partnership Contract may acknowledge the powers of the contracting Government entity to amend the contract, stipulating concrete points of the contract liable to be modified, the payments that may correspond as well as the maximum additional investment amount that the amendments may require and the period in which these powers can be exercised.- -----

Upon having stipulated the above powers, the contracting Government entity shall elaborate a technical report in which the reasons and other issues that justify the contract amendment are mentioned. The scope and contents of the amendment must be specified. This report shall be sent to the Planning and Budget Office, the Ministry of Economy and Finance and the Court of Audit. Each one of these offices shall pronounce their decisions in a 45 calendar day term as from the reception of the technical report.- -----

The contract amendment may not be done without a previous report from the Planning and Budget Office and the Ministry of Economy and Finance. At any rate, the maximum amount of the new investments and expenses of the service shall be established in the bidding documents and in any case may not exceed 20% of the works estimates or operation expenses agreed to in the original contract.- -----

Article 72. Bilateral amendment of the contract.- -----

The Public-Private Partnership Contract may establish

conditions, that, when met, the parties to the contract may by mutual agreement establish the contract review. If such possibility was not provided in the contract, the parties may not amend it except for the renegotiation option referred to by Article 49 of Law N° 18.786 of July 19, 2011.- -----

No matter the way the contract was agreed to be amended, some issues of the contract can be stipulated as to be amended, including the solutions to amend the contract chosen by the parties, the maximum amount of additional investment that the amendments may require and the term within which the review may be agreed to. -----

At any rate, the maximum amount of these new investments may not exceed 50% (fifty percent) of the works estimates or the operation expenses as per the original contract, and during the construction stage this percentage may not exceed 30% (thirty percent).- -----

Article 73. Renegotiation of contracts. -----

Any of the co-contractors may require the other party to renegotiate the Public-Private Partnership Contract, when any of the premises provided by Article 49 of Law N°18.786 occurs.- -----

The party requiring to renegotiate the contract shall notify the other party indicating the clauses to be renegotiated, the causes for it, as well as the solutions suggested in that respect.- -----

Regarding hypothesis B) of Article 49 of Law N°18.786 of July 19, 2011, causes of force majeure for negotiation can only be

considered those that affect the variables of the project enumerated individually for each Public-Private Partnership contract.- -----

Article 74. Temporal condition to amend or renegotiate the Public-Private Partnership contract.- -----

Any Public-Private Partnership contract shall establish the period elapsed from the entering into the contract during which the contracting Government entity may not request nor accept amendments nor contract renegotiations.- -----

Article 75. Subcontractors.- -----

The contractor may subcontract to third parties the activities under the contractor's responsibility, unless the contract or specifications provide the opposite or by its nature and conditions it is deemed that the contract shall be executed directly by the contractor.- -----

The contractor that subcontracts shall require the subcontractors to comply with any formal and material obligations derived from the main contract, the contractual terms and the legal regulations in force.- -----

Article 76. Assignment of the contract.- -----

The contractor shall request from the contracting Government entity a previous and express authorization to assign in whole or in part the Public-Private Partnership contract.- -----

The request shall be directed to the contracting Government entity. This shall include, among others: the terms and conditions in which the assignment shall take place, scope of the assignment and the object that the assignment affects, a

report attesting the technical and financial capacity of the assignee to duly execute the contract.- -----

During a 90 day terms as from the submission of the assignment petition, the contracting Government entity shall verify if the assignee meets all the requirements and conditions needed to duly fulfill the contract. Clarifications or additional information may be requested in that respect.- -----

If the above period elapses and the contracting Government entity do not resolve about the assignment petition, it shall be deemed that the assignment has been rejected. Without prejudice of the above, the contracting Government entity may resolve any time, expressly, about the assignment petition, whether wholly accepting it or accepting it with modifications or rejecting it in whole or in part.- -----

The express decision by the contracting Government entity shall be personally notified to the contractor.- -----

In the resolution by which the assignment is authorized, the scope and contents of the assignment must be indicated, as well as the terms during which the assignment must be performed and the deposit of the related guaranty.- -----

Until all formalities of the assignment have been met as well as the deposit of guaranties, the assignor shall still be liable to the Government.- -----

CHAPTER IX - DISPUTE RESOLUTION.- -----

Article 77. Arbitration request.- -----

The party requesting the arbitration shall notify the other party according to that established in the contract or by

default, by any effective means.- -----

Article 78. Arbitration Court.- -----

After a term of 30 calendar days as from the serving on the other party of the request for arbitration by a party as referred to by the above article, and neither of the parties has appointed an arbiter, the appointment shall be made by a competent Court pursuant to the procedure established in Articles 480 and 494 of the General Code of Procedure.- -----

Article 79. Autonomy of the arbitration award.- -----

The arbitration award is autonomous regarding the main contract. The inexistence or invalidity of the contract does not imply the nullity of the arbitration award.- -----

The issues related to the existence or validity of the arbitration award shall be resolved by the Arbitration Court, whether by this Court's own initiative or as requested by the interested party.- -----

In all matters that were not provided for by Law N°18.786 of July 19, 2011 and this Regulatory Decree, it shall be applied that provided for in Articles 480 to 507 of the General Code of Procedure.- -----

CHAPTER X - GUARANTIES IN BENEFIT OF THE CREDITORS.- -----

Article 80. Guarantees to be granted by the contractor.- -----

The contractor of a Public-Private Partnership project may deposit any type of collaterals, whether sureties or liens for the benefit of his creditors regarding the project contract.- -

On entering into such contract, the contractor may also assume the obligation to assign the Public-Private Partnership

contract to the creditors of the project, so that the creditors engage themselves in carrying on the contract by assigning this contract to a third party.- -----

The contract shall define the possible risks of non-compliance that shall empower the creditor to demand the fulfillment of the obligation to assign the contract by the contractor.- -----

If there is an assignment of the contract, this assignment must have the prior and express authorization of the contracting Government entity, which must verify that the proposed assignee complies with all the requirements and conditions to continue the execution of the contract.- -----

Once the assignment is performed, the assignor shall be substituted by the assignee in all matters concerning the assignor's rights and obligations.- -----

Article 81. Controlling rights.- -----

When the value of pledge from a Public-Private Partnership contract would suffer losses for causes attributable to the contractor, the pledgee may request the contracting Government entity to declare that there is such loss.- -----

If the loss is confirmed, the pledgee may also request to the contracting Government entity to order the contractor to act or not to act in order to avoid or redress the damages, with the warnings that the contract may be terminated.- -----

If the contractor do not redress the damages and there are grounds for the contract termination due to non-fulfillment of any of the contractor's obligations, the contracting Government entity, before acting, must notify the pledgee its

decision to terminate the contract pursuant to Article 57 of Law N°18.786 of July 19, 2011, in order to notify the pledgee's intention to enforce the pledge or in turn, to continue the execution of the contract either directly or through an assignment to a third party as provided by in the above article.- -----

Article 82. Call for auction.- -----

In order to carry out an out-of-Court enforcement of the pledge pursuant to Article 58 of Law N°18.786 of July 19, 2011, the contracting Government entity shall make a public call for an auction by publication in the Official Gazette and a local newspaper, as well as other publications in Uruguay and abroad that the contracting Government entity may deemed convenient, so that the auction is advertised to as many people as possible.- -----

At this moment the contracting Government entity shall fix the terms and conditions for the auction, including the requirements to be met by the bidders, which shall depend on the execution progress of the related Public-Private Partnership contract.- -----

Article 83. Auction bidders.- -----

The individuals interested in taking part in the auction shall accredit that they met the requirements of the call before the contracting Government entity.- -----

The contracting Government entity shall authorize the participation at the auction to the bidders that have accredited that they met the requirements within the terms

established in the public call. Only the bidders previously authorized by the contracting Government entity may take part in the auction.- -----

Article 84. Acceptance of rights by the highest bidder.- -----

Once the auction has been carried out, the highest bidder shall sign the necessary documents to assume the rights and obligations of the former contractor, whether before the contracting Government entity or the pledgee if there were still debts guaranteed by the pledge.- -----

In case there were still debts guaranteed by the pledge, the new contractor shall sign all the necessary documents related to the pledgee, including signing a new pledge contract of the new contractor's contract.- -----

CHAPTER XI - CONTROL AND FOLLOW-UP.- -----

Article 85. Modality of execution.- -----

The contracting Government entity may perform the control and follow-up by itself or through third parties -hiring them pursuant to TOCAF or hiring the National Corporation for Development as a trustee.- -----

In the bidding documents, the contracting Government entity shall define what control scheme is to be used and it shall be established as part of the bid to be submitted as an associate cost.- -----

CHAPTER XII - MISCELLANEOUS.- -----

Article 86. Prior Requirements.- -----

When the contracting Government entity is comprised in Article 220 or Article 221 of the Constitution of the Republic, before

calling for bids, this contracting Government entity shall include an estimate of payments to be done for the prospective Public-Private Partnership Contract when presenting their budget projections before the Government.- -----

When the contracting Government entity is a Municipality, before calling for bids, the Municipality shall include a payment estimate of the prospective Public-Private Partnership contract when presenting its budget before the Municipal Council as established in Article 223 of the Constitution.- ---

Article 87. Obligations of the contracting Government entity.-

Within 90 days as from the beginning of each Fiscal Year, the offices of the Central Government and State Companies that have Public-Private Partnership contracts shall send to the Ministry of Economy and Finance the projected cash flow as well as a contingent liabilities report for each contract during their validity period, under the form and conditions established by the above Ministry.- -----

The projected budgets of the State Companies shall be accompanied by the above mentioned cash flow and the contingent liabilities report, which shall be considered in the projects as well as in the approved estimates.- -----

Article 88. Incompatibilities.- -----

Excepting the National Corporation for Development, any company hired by the Government to carry out works or render services (other than consultancy), as well as its parent or subsidiary companies, or companies of the same holding, shall be disqualified to render consultancy services related to

structuring Public-Private Partnership Projects that involve such works or services.- -----

Without prejudice of that established by Articles 32 and 33 of Law 17.786 of July 19, 2011, no company hired to render consultancy services to produce a prospective Public-Private Partnership contract, as well as its parent, subsidiary or holding companies, may later supply any goods or carry out works or render services (other than consultancy) that are derived from the hired consultancy services.- -----

The consulting companies, with no exceptions, including their staff or subcontracts, parent companies, subsidiaries or companies of the same holding that are advising the Government in the contracting proceedings, excluding the preliminary studies, may not be bidders and may not have advised or be advising any bidder regarding the same contract object.- -----

At any rate, the contracting Government entity shall make available all the information that has been supplied by the consulting company, which may constitute a technical disadvantage for any bidder if unknown.- -----

Those who are Government officials or have labor binds with the contracting Government entity or the National Corporation for Development if it is acting as an advising body, may not be hired as individual consultants or members of any consulting company team.- -----

Article 89. Let these presents be communicated, etc.- -----

/Signed/: José MUJICA - President of the Republic.- -----

/There follow the signatures of the Ministers/.- -----

I, the undersigned Public Translator, state the foregoing -a copy of which is registered under N°548/2016 in my private file- to be a faithful and complete translation of the attached document /REGULATORY DECREE N°017/012/, written in Spanish. Montevideo, May 21, 2016. -----