

SUMMARY OF THE INITIAL AND PROVISIONAL APPROVAL PLAN:

- **Tender specifications for the construction and operation**, through an administrative concession, **of the new container terminal in the Northern Extension of the Port of Valencia.**
- **General and specific conditions of the concession** for the use of public property **at the new container terminal in the Northern Extension of the Port of Valencia.**

1. **Object of the Proposal:** to inform the members of the Board, within the framework of the previous actions aimed at finally calling the tender and in order to ensure its greatest success, both of the terms and main characteristics of the terminal intended to be installed in the Port of Valencia and of the focus of the possible criteria that are to be taken into account, and their justification, for the purposes of assessing the bids submitted for approval of the Board, permitting, prior to the call, any possible contributions that could be made by the representatives of the organisations and administrations present on the Board to be incorporated.

2. **Object of the tender:** to select a proposal that will be subsequently processed in order to grant, where appropriate, an **administrative concession** for the construction and operation of a **maritime container terminal** for the provision of port cargo handling services, **open to general traffic** in the Northern Extension of the Port of Valencia.

3. **The new container terminal has been conceived** by PAV to exploit the strengths of Valencia as an import/export and transit port **with a capacity of around 5 million TEUs**, complementing the existing terminals' capacity to accommodate the expected container traffic at the port of Valencia by 2050.

4. **The new terminal will have to be equipped with the latest technology for sustainable operations and will provide high performance and more competitive services** to reinforce the role of the port of Valencia as a mixed port in the western Mediterranean, with the following characteristics:

- (i) capacity to **service the largest ships** in the future (ULCS,> 24,000 TEU);
- (ii) greenfield development, **suitable for the concept of an automated terminal**;
- (iii) **offer the highest standards** in terms of innovation, flexibility and sustainability; and
- (iv) **offer excellent connectivity to the import/export and transit markets**, positioning itself within the mixed port market

5. **Scope of the concession:** The PAV will build and provide the future concession holder with a **berthing line of up to 1970 m long with a draft of 20 metres** alongside and throughout the dock, **an adjacent compacted yard of some 137 hectares**, as well as a **maritime access channel with a draft of 22.50 m.** and other complementary works to form the bottom of the dock and improve its protection. In addition, the PAV will construct **the connecting roads and railways between the site and the general port network**, undertaking to adapt it and its accessibility to the port area to ensure an adequate level of service throughout the term of the concession. **The quay will be granted as a concession.**

6. Minimum terminal to bid: The tenderers will be able to bid the size of terminal that best fits their business plan, however, it must include a minimum of **800 m. of berthing line and 49 hectares**. **Proposals for phased development until full occupancy of the quay and the area made available by PAV are accepted.**

7. Work and investments to be carried out by the concession holder: the concession holder must carry out paving works and service networks for the terminal, railway terminal, fence, gates and buildings, as well as the complete utilities and equipment, all adapted to the terminal model and in order to comply with the business plan. **At least a semi-automated terminal must be developed.**

8. Concession period:

a) **35 years for partial concession occupancy bids**, with the possibility of extension up to 50 years; and

b) **50 years for bids that envisage full occupation** of the quay and the adjacent area necessary for the proposed terminal.

9. Tendering requirements: the **usual requirements for tenders** of this nature, plus **high technical and economic solvency requirements** in order to ensure that tenderers hold **experience in managing container terminals with movements of more than 1 million TEUs per year** and **economic solvency to handle investments that may exceed 700 million euros**.

10. Companies or business groups that already have a container terminal at the port of Valencia are allowed to apply. In this case, in order to avoid any position of dominance as included in the current port law, **it is necessary to offer a terminal with a capacity that is 50% greater than the one currently controlled and to leave the current terminal within a certain period of time** from the start of operation of the new terminal. Tenderers shall therefore be entitled to financial compensation for the value of non-removable works and installations pending depreciation.

11. Documentation to be submitted by tenderers:

1. **Administrative documentation for acceptance**, which must certify, among other things, compliance with the required technical and economic solvency criteria.

2. **Technical-economic documentation**, which must include:

a. **Business plan**, with the following sections:

- i. Commercial and business development plan
- ii. Technical / investment plan
- iii. Operations plan
- iv. Conservation and maintenance plan
- v. Organisational plan
- vi. Corporate social responsibility plan
- vii. Environmental plan
- viii. Quality plan
- ix. Financial plan

b. **Economic proposal**: which must include the **investment proposal, minimum traffic commitment and activity fees to be paid to the port authority**.

12. Selection of the proposal and award of the tender: the Selection Committee, which will be the same as the PAV's Permanent Contracting Committee, will initially proceed to examine the administrative documentation for acceptance, compiling, where appropriate, the appropriate

corrections, and assessing compliance with the admission criteria; it will then submit the technical-administrative documentation of the tenderers to the Technical Committee for evaluation. Once the Technical Committee's report has been received, it shall submit an award proposal to the Board of Directors, who shall award the most advantageous proposal overall for the general interests of the Port Authority, or declare the tender void if none of the submitted proposals fully satisfy public interests.

13.Evaluation of proposals that have passed the acceptance requirements: this will be carried out by a **Technical Committee appointed for this purpose by the Chairman** of the PAV, with clearly specified criteria in the Tender Documents. Firstly, **compliance with certain minimum technical requirements established in the specifications will be verified and, for those that are technically acceptable, the Business Plan** will be assessed on the one hand and the **economic proposal** on the other, distinguishing the Net Present Value of the minimum estimated income for PAV for the minimum traffic commitment in the concession period and the **Net Present Value of the investments implemented in the first 15 years**. The **distribution of points** is envisaged in such a way that the economic proposal will have a higher score than the business plan, and within the economic proposal the NPV of the minimum income for the PAV will have a higher score than the NPV of investments.