

## **The Municipality of São Paulo Publishes a Request for Studies to Privatize Public Parks**

The Secretariat for Privatization and Partnerships of the Municipality of São Paulo has recently published a Request for Studies (PMI) to privatize 14 municipal parks. In PMI proceedings, the Government relies on the expertise of the private sector to conduct studies regarding various aspects of projects such as legal, economic-financial, technical and environmental. The author is reimbursed for the costs incurred in the studies as established in the PMI, if the local Government uses them in the future public procurement proceeding.

Brazilian Law authorizes the studies' author to participate in the relevant public procurement proceeding. If the author does not win the venture, the winning bidder must reimburse him according to the amounts and conditions set forth in the PMI.

The local Government included in the PMI important parks, such as Ibirapuera and Carmo. The Ibirapuera Park is the most frequented park of the 10 million people metropolis. It was elected in 2015 as the world's best urban park by The Guardian. Likewise, the Carmo Park is the city's largest park, amounting almost 150 hectares.

The PMI aims to obtain studies for the revitalization, modernization and management of the parks, including their operational, economic-financial, legal and engineering aspects. The studies must present feasible financial solutions to enable the privatization. Any sort of charges to enter the park are expressly forbidden, except for usage of the parks' equipment.

If authorized, the proponents will have a 60-day deadline to deliver their studies, which will be evaluated by a Special Commission. The evaluation criteria include the following: compliance of the studies with the project scope, consistency of information, use of the best technique, economic-financial feasibility and effective use of the studies by the local Government.

The proponents will be reimbursed for the studies use up to the total amount of R\$ 4.500.000 (four million and five hundred thousand reais). Individually, proponents

could be reimbursed up to: (i) R\$ 1.000.000 (one million reais) for the Ibirapuera Park, (ii) R\$ 500.000 (five hundred Thousand reais) for the Carmo Park and (iii) R\$ 250.000 (two hundred thousand reais) for the rest of the parks. If used, the studies will be reimbursed as per the following table:

Project aspect	Reimbursement amount per park
Management Studies	Up to 25%
Economic-Financial Studies	Up to 20%
Legal Studies	Up to 20%
Engineering Studies	Up to 35%

Clarification requests concerning the PMI must be filed until May 15, 2017. The Studies Proposals must be submitted until June 9, 2017.

The RSMC team will remain attentive to the unfolding of the request for proposals and we will keep our partners informed.

Carolina Caiado – [carolina.caiado@rsmc.com.br](mailto:carolina.caiado@rsmc.com.br)

Daniel Salomoni – [daniel.salomoni@rsmc.com.br](mailto:daniel.salomoni@rsmc.com.br)

Lucas van de Bilt Schiozer – [lucas.schiozer@rsmc.com.br](mailto:lucas.schiozer@rsmc.com.br)

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