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PROENÇA DE CARVALHO

PUBLIC LAW:

Launch of a new Public - Private Infrastructure
Partnership / Lisbon Hospital

17 July 2017

LAUNCH OF A NEW PUBLIC-PRIVATE INFRASTRUCTURE PARTNERSHIP/LISBON HOSPITAL

1. THE PUBLIC-PRIVATE PARTNERSHIP ANNOUNCEMENT

On 11 July 2017, the Ministry of Health organised a public session to present the general terms of the project for the development of a new hospital in Lisbon (*Hospital de Lisboa Oriental*) (“**Hospital**”).

The project is to be developed under a public-private partnership (“**PPP**”) and the private partner will be selected following an international public tender procedure. The Ministry of Health expects to initiate the tender process before the end of July 2017.

According to media sources, the PPP is expected to cost around EUR 500 million.

2. THE HOSPITAL'S PPP

The scope of the Hospital's PPP will be limited to the design, financing, construction and maintenance of the Hospital's facilities. Thus, the PPP will include neither the management of health services, nor the acquisition and maintenance of medical equipment.

The Portuguese Government intends for the Hospital to replace six hospital units spread throughout Lisbon, presumably the Santa Marta Hospital, the Dona Estefânia Hospital, the Santo António dos Capuchos Hospital, the Curry Cabral Hospital, the Alfredo da Costa Maternity Unit and the São José Hospital.

The Hospital will be built on public land in an area of 130,412.00 m², located in the parish of Marvila, and will have a gross construction area of approximately 180,000.00 m². Furthermore, the Hospital must be designed for a total capacity of 875 beds and must also have capacity for additional reserve beds should it need to expand.

The private partner will also be responsible for the construction and maintenance of a car park with at least 2,945 parking spaces. The operation of the car park will be under the responsibility of the private

partner as an activity complementary to the maintenance of the Hospital's facilities. The Hospital shall also have commercial areas to be implemented and operated by the private partner.

The private partner's remuneration will follow an availability base model and payments will only begin once the Hospital has been constructed.

The PPP agreement will have a term of 30 years, which includes a three-year term to construct the Hospital and a 27-year term for its maintenance and the operation of the complementary activities.

3. THE INTERNATIONAL PUBLIC TENDER PROCEDURE

The competition notice is expected to be published in both the Portuguese and European Union official journals by the end of July 2017.

Once these notices are published, competitors will have six months to submit their tender offers. Before the PPP is awarded, a negotiation phase will take place with two or three of the candidates submitting the best offers.

The tender offers will be assessed according to two essential criteria:

- i) Price: which will correspond to the net current value of the annual remuneration of the private partner;
- ii) Technical quality of the tender: divided into 13 evaluation factors.

There will be no restrictions on the composition of the competitors' groups or on the competitors' sources of financing.

According to a non-bidding schedule provided by the Ministry of Health, the procedure is expected to be carried out within the following timescale:

- i) Public tender procedure is to commence before the end of July 2017;
- ii) Tender offers should be submitted by February 2018;
- iii) A negotiation phase should take place during May 2019;
- iv) The PPP should be awarded in July 2019; and
- v) The signing of the PPP agreement and the beginning of the construction of the Hospital are expected to occur in December 2019.

4. OUR TEAM

Uría Menéndez - Proença de Carvalho plays a significant role as legal advisor on the main areas of public law, notably: public tenders, public contracts in general, PPP projects, litigation and conflict mediation, energy and environment, and regulatory matters. Our team of lawyers have extensive experience of working with the three main client groups: public entities, private promoters and banking syndicates. Our broad experience in public law matters enables us to provide advice on any public project or government-based transaction.

One of our main focuses is on public infrastructure projects (notably motorways, railways, electricity plants, ports, dams, water treatment plants and water channelling, hospitals and large-scale urbanisation projects), public services projects (namely land, air and water transport, water and energy supply, water and waste treatment) and projects related to the acquisition of goods by public authorities.

We provide legal advice at every stage of a project, from the pre-contractual phase to the execution of the agreements, including judicial proceedings. Our lawyers' expertise, which is widely recognised by the main operators in Portugal, has led to our public law department participating in most of the high-profile public project transactions in the Portuguese market as well as in several of the most important privatisation and concession procedures conducted in Portugal in recent years.

Our broad experience guarantees a cross-sector perspective and allows us to provide our clients with integrated legal solutions best suited to their needs, which in turn contributes towards the success of the projects on which we advise.

Contact lawyers

For further information, please contact:

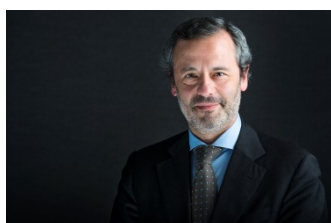


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