

COMISIÓN NACIONAL DE ENERGÍA
Miraflores 222-Piso 10, Edificio Las Américas - SANTIAGO - CHILE

BIDDING TERMS AND CONDITIONS
FOR AWARDING RIGHTS OF EXPLOITATION AND
EXECUTION
OF THE NEW TRANSMISSION PROYECTS
CONSIDERED IN EXEMPT DECREE No. 115 (2011) OF
THE MINISTRY OF ENERGY

June 2011
Santiago de Chile

DISCLAIMER

The purpose of this Document is to introduce to the International companies the Bidding Conditions of the main transmission system expansion, about the New Transmission Projects included in the Exempt Decree N° 115 of 2010, of the Energy Ministry. Nevertheless, the rules and the Bidding Condition Document that will be considered, for all purpose including legal ones, is the original Exempt Decree N° 115, in his original Spanish language version.

Also, the modification that may suffer the mentioned Document, has to be considerate for bidding purposes as well in all the general matters that may contain or resolve. Furthermore, the original Spanish language version, of the final Bidding Conditions Document, along whit the answer and question to the Bidding Condition Document, will be the ones that will rule the entire process.

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1 INTRODUCTION

In light of the General Law of Electrical Services, DFL No. 4 of the Ministry of Economy, Development and Reconstruction (hereinafter referred to as “DFL No. 4”), the Directorate of Tolls (DP) of each Economic Cargo Dispatch Center (CDEC) must conduct an international public tender, according to the Bidding Conditions created by the National Energy Commission, hereinafter referred to as the “Commission,” in order to award the rights of exploitation and execution of the new transmission projects considered in the corresponding Supreme Decree indicated in Article 99 of DFL No. 4, which is Exempt Decree No. 115 of May 2, 2011 (hereinafter referred to as the “Expansion Plan Decree”), of the Ministry of Energy (hereinafter referred to as the “Ministry”).

The goal of the present Technical and Administrative Conditions is to regulate the entire Tendering Process for transmission projects, that is, from the call for bids, to the award process, the execution of transmission projects, and until the Project is operational on the main line transmission system of the Central Interconnected System (SIC), according to Article 7 of DFL No. 4

The award considers the execution and rights of exploitation for each new installation on the main line transmission, included in the **¡Error! No se encuentra el origen de la referencia.** for the SIC, according to the present Bidding Conditions, the Expansion Plan Decree, and the terms and conditions to be established in the corresponding Decrees issued by the Ministry, as established in Article 97 of DFL No. 4 (hereinafter “Decrees of Award”).

The present Bidding Conditions establish the necessary requisites, delivery deadlines and presentation modes for the administrative bids and their corresponding technical and economic bids, so that each bidder may submit one administrative bid regardless of the number of projects for which it is submitting bids.

2 PROJECT DESCRIPTION

2.1 REFERENCE PRICES

As established in the Expansion Plan Decree, the reference prices for the Projects (expressed in thousands of US dollars, TUSD, as of December 2009) and construction deadlines are:

Table 1: Project Reference Prices and Construction Deadlines

No.	Project	IV	COMA	Construction Deadline
1	New 2x500 kV Cardones-Maitencillo Line	79.32	1.14	60 months
2	New 2x500 kV Maitencillo-Pan de Azúcar Line	130.11	2.05	60 months
3	New 2x500 kV Pan de Azúcar-Polpaico Line	280.0	4.2	60 months
4	New 2x500 Charrúa-Ancoa Line: installation of first circuit	140.4	2.02	60 months
5	New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit	45.49	0.942	66 months
6	Lo Aguirre Distribution Substation: Stage I	69.02	0.994	36 months
7	New Line Cardones-Diego de Almagro 2x220 kV: installation of first circuit	37.0	0.766	60 months
8	Installation of a SRC at Cardones Substation	20.7	0.428	18 months

The construction period shall begin upon publication of the corresponding Decree of Award in the Official Newspaper.

2.2 TECHNICAL DESCRIPTION OF PROJECTS

2.2.1 New 2x500 kV Cardones-Maitencillo Line

2.2.1.1 General description and location of the work

This work calls for the construction of a new 500 kV line between Cardones Substation and Maitencillo Substation, approximately 132.4 km long, in double circuit structures, with a capacity of 1,500 MVA. The project includes the line equipment pack on both sides of the line.

2.2.1.2 Minimum Technical Characteristics

The new line must possess the following minimum technical characteristics:

– Operating Tension	500 kV
– Number of Circuits	2
– Thermal Line Capacity per circuit	1,700 MVA at 35 °C with sunlight
– Conductors per phase on each circuit	4
– Maximum Resistance per phase on each circuit	0.025 ohm/km
– Guard Wire	OPGW or equivalent
– Transpositions	1 complete cycle
– Line Reactors	
Power	75 MVA per circuit on New Cardones side
Connection Bays	
Reserve Reactors	
Automatic Reactor Maneuver System (MAIS or equivalent)	

2.2.1.3 Connection Bays, Minimum Characteristics

The line connection must consider connection bays for each circuit. For the Maitencillo side, the line must connect to the diagonals which shall be installed at this location. On the Cardones side, the project must consider the construction of 500 kV diagonals, 500 kV main bars, with a capacity of 1,700 MVA each at 35 °C with sunlight, and line reactors, for which purpose the Winning Bidder must purchase the corresponding site, within a 5 kilometer radius of the current 220 kV Cardones Substation. It must also build two main yards (one 500 kV and another 220 kV) in a "breaker and a half" arrangement, along with all the elements and equipment necessary for the appropriate operation of this new mode.

Additionally, sufficient space must be left to host the future 500/220 kV (2 banks of 250 MVA monophasic transformers, plus one reserve unit) transformation, as well as space for three banks of 220 kV static condensers. It must also consider additional space for 4 500 kV diagonals, serial compensations and 500 kV reactors, and space for 8 220 kV bays in a "breaker and a half" arrangement.

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2.2.1.4 Connection to Cardones Substation

The connection with the current Cardones Substation must be built within the area specified in the previous section, with 220 kV double-circuit lines, with a minimum capacity of 750 MVA per circuit.

2.2.1.5 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. Its characteristics shall be established at the basic engineering level according to system demands at these nodes.

2.2.1.6 Entry into operation

At the latest, the project must be finished and operational within 60 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

2.2.1.7 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 79.32 million. The reference COMA is USD 1.14 million (1.4 % of the reference IV).

2.2.2 New 2x500 kV Maitencillo-Pan de Azúcar Line

2.2.2.1 General description and location of work

This work calls for the construction of a new 500 kV line between Maitencillo Substation and Pan de Azúcar Substation, approximately 209.2 km long, in double-circuit structures with a capacity of 1,500 MVA. The project includes line bays on both sides of the line.

2.2.2.2 Minimum Technical Characteristics

The new line must possess the following minimum technical characteristics:

- Operating Tension 500 kV
- Number of Circuits 2
- Line Thermal Capacity by circuit 1,700 MVA at 35 °C with sunlight
- Conductors per phase on each circuit 4
- Maximum Resistance per phase on each circuit 0.025 ohm/km
- Guard Wire OPGW or equivalent
- Transpositions 1 complete cycle
- Line Reactors
 - Power 75 MVA per circuit on each side
 - Connection Bays
 - Reserve Reactors
 - Automatic Reactor Maneuver System (MAIS or equivalent)
- Serial Compensation At least 50% of the Line Reactance for each circuit.

2.2.2.3 Connection Bays, Minimum Characteristics

The line connection must consider connection bays for each circuit. On the Pan de Azúcar side, the line must connect to the diagonals that shall be installed at this location, along with the line reactors and the serial compensation towards Maitencillo. On the Maitencillo side, the project considers the construction of 500 kV diagonals, a 500 kV main bus with a capacity of 1,700 MVA each at 35°C with sunlight, and line reactors, for which purpose the Winning Bidder must purchase the corresponding site, within a 5 kilometer radius around the 220 kV Maitencillo Substation. It must also build two main yards (one 500 kV and another 220 kV) in a "breaker and a half" arrangement, along with all the elements and equipment necessary for the appropriate operation of this new mode.

In addition, sufficient space must be left for the future 500/220 kV (2 banks of 250 MVA monophasic transformers, plus one reserve unit) transformation, as well as space for banks of static condensers. It must also consider additional space for 4 500 kV diagonals and 8 220 kV bays, in a breaker and a half or Double main bus and transfer bus arrangement.

2.2.2.4 Connection to Maitencillo Substation

The connection with the current Cardones Substation must be built within the area specified in the previous section, with 220 kV double-circuit lines, with a minimum capacity of 750 MVA per circuit.

2.2.2.5 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level, according to system demands at these nodes.

2.2.2.6 Entry into operation

At the latest, the project must be finished and operational within 60 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

2.2.2.7 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 130.11 million. The reference COMA is USD 2.05 million (1.57% of the reference IV).

2.2.3 New 2x500 kV Pan de Azúcar-Polpaico Line

2.2.3.1 General description and location of work

This work calls for the construction of a new 500 kV line between Pan de Azúcar Substation and Polpaico Substation, approximately 401.8 km long, in double-circuit structures with a capacity of 1,500 MVA. The project includes the line bays on both sides of the line.

2.2.3.2 Minimum Technical Characteristics

The new line must possess the following minimum technical characteristics:

- Operating Tension 500 kV
- Number of Circuits 2

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- Line Thermal Capacity per circuit 1,700 MVA at 35 °C with sunlight
- Conductors per phase on each circuit 4
- Maximum Resistance per phase on each circuit 0.025 ohm/km
- Guard Wire OPGW or equivalent
- Transpositions 2 complete cycles
- Line Reactors
Power 175 MVA for each circuit on each side

Connection bays

Reserve Reactors

Automatic Reactor Maneuver System (MAIS or equivalent)

Serial compensation At least 50% of the line reactance for each circuit.

2.2.3.3 Connection Bays, Minimum Characteristics

The line connection must consider connection bays for each circuit. In the case of Polpaico Substation, the bays to be installed must match the bus arrangement of this substation, including the installation of line reactors in this substation. For the Pan de Azúcar side, the project considers the construction of 500 kV diagonals, a main 500 kV bus, construction of the serial compensations for the lines towards Polpaico, and line reactors, for which purpose the Winning Bidder must purchase the corresponding site, within a 10 kilometer radius around the 220 kV Pan de Azúcar Substation. It must also build two main yards (one 500 kV and another 220 kV) in a "breaker and a half" arrangement, along with all the elements and equipment necessary for the appropriate operation of this new mode.

In addition, sufficient space must be left for the future 500/220 kV (2 banks of 250 MVA monophasic transformers, plus one reserve unit) transformation, as well as space for banks of static condensers. Also, sufficient space must be left for the serial compensation of the lines towards Maitencillo and future 500 kV and 220 kV expansions, considering in this case additional space for 4 500 kV diagonals and 8 220 kV bays, in a breaker and a half or Double main bus and transfer bus arrangement, among others.

2.2.3.4 Connection to Pan de Azúcar Substation

The connection with the current Cardones Substation must be built within the area specified in the previous section, with 220 kV double-circuit lines, with a minimum capacity of 750 MVA per circuit.

2.2.3.5 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to system demand at these nodes.

2.2.3.6 Entry into operation

At the latest, the project must be finished and operational within 60 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

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2.2.3.7 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 280 million. The reference COMA is USD 4.2 million (1.5 % of the reference IV).

2.2.4 New 2x500 Charrúa-Ancoa Line: installation of first circuit

2.2.4.1 General description and location of work

This work calls for the construction of a new 500 kV line between the Charrúa Substation and the Ancoa Substation, approximately 196.5 km long, in double-circuit structures, considering the installation of a single circuit with a capacity of 1,400 MVA during the first phase. This project includes the line bays at both sides of the line.

2.2.4.2 Minimum Technical Characteristics

La new line must possess the following minimum technical characteristics:

- Operating Tension 500 kV
- Number of Circuits 2, Construction of First Circuit
- Line Thermal Capacity per circuit 1,700 MVA at 35 °C with sunlight
- Conductors per phase on each circuit 4
- Maximum Resistance per phase on each circuit 0.025 ohm/km
- Guard Wire OPGW or equivalent
- Transpositions 1 complete cycles
- Line Reactors
Power Similar to current 500 kV Charúa-Ancoa parallel lines, on each side
- Connection Bays
- Reserve Reactors
- Automatic Reactor Maneuver System (MAIS or equivalent)

Serial compensation Similar to existing parallel lines.

2.2.4.3 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to system demand at these nodes.

2.2.4.4 Entry into operation

At the latest, the project must be finished and operational within 60 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

2.2.4.5 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 140.4 million. The reference COMA is USD 2.02 million (1.4 % of the reference IV).

2.2.5 New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit

2.2.5.1 General description and location of work

This work calls for the construction of a new 220 kV line between Ciruelos Substation and the future Pichirropulli Substation, approximately 83.0 km long, in double-circuit structures, considering the installation of a single circuit with a nominal capacity of 290 MVA during the first phase. The project includes the line bays at both sides of the line.

2.2.5.2 Connection Bays, Minimum Requisites

The line connection must consider connection bays for each circuit. In the case of the Ciruelos Substation, the bays to be installed must match that substation's bus arrangement and expansion project. For the Pichirropulli side, the project calls for the construction of the corresponding connection bays at the new Pichirropulli substation. In addition, the project must consider the inclusion of the respective bays on the Pichirropulli side of the current 2x220 kV Valdivia-Barro Blanco-Puerto Montt line, which has to be sectioned by the Pichirropulli substation.

The area in which the sectioning Pichirropulli substation must be located shall be announced by the CDEC-SIC during the question and consultation process.

2.2.5.3 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to system demand at these nodes.

2.2.5.4 Entry into operation

At the latest, the project must be finished and operational within the 66 months after the date of award of the corresponding tender.

2.2.5.5 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 45.49 million. The reference COMA is USD 942,000 (2.07 % of the reference IV).

2.2.6 Lo Aguirre Distribution Substation: Stage I

2.2.6.1 General description and location of work

The project consists of the construction of the 500/220 kV Lo Aguirre Distribution Substation, a bank of 4 single-phase auto-transformers with $500/\sqrt{3} : 220/\sqrt{3}$ kV 1,000 total MVA, with sufficient space to include a second 500/220 kV transformation in the future. For this purpose, the sectioning of one of the 500 kV Alto Jahuel-Polpaico line circuits shall be considered, as well as the complete sectioning of the current 220 kV Rapel-Cerro Navia line on the 220 kV bus of the new substation. The distribution substation shall be located near the intersection of the 500 kV Alto Jahuel-Polpaico and 220 kV Rapel-Cerro Navia lines, within a radius no greater than 2 km from the point of intersection of the lines to be sectioned.

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2.2.6.2 Minimum characteristics of the substation

During a first stage, the substation shall have two main yards, one 500 kV and another 220 kV, in a breaker and a half or Double main bus and transfer bus arrangement.

In addition, the project shall include additional space for future expansions (both 500 kV and 220 kV), of at least 2 500 kV diagonals and 10 220 kV bays, space for a second transformation bank of characteristics similar to the one to be installed, and space for reactive compensation.

2.2.6.3 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to system demand at this node.

2.2.6.4 Entry into operation

At the latest, the project must be finished and operational within 36 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

2.2.6.5 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 69.02 million. The reference COMA is USD 994,000 (1.44 % of the reference IV).

2.2.7 New 2x220 kV Cardones-Diego de Almagro Line: installation of first circuit

2.2.7.1 General description and location of work

The project consists of the construction of a new 220 kV line, approximately 152 km long, in double-circuit structures, with the installation of a single circuit, and a maximum nominal capacity of 290 MVA, between the Cardones and Diego de Almagro substations, located in the Region of Atacama. This project includes the line bays at both sides of the line.

2.2.7.2 High tension equipment

The equipment shall be specified (in quantity and type) according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to the system demand of this stretch.

2.2.7.3 Entry into operation

At the latest, the project must be finished and operational within the 60 months after the date of publication of the Decree of Award of the corresponding Tender in the Official Newspaper.

2.2.7.4 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 37.0 million. The reference COMA is USD 766,000 (2.1% of the reference IV).

2.2.8 Installation of a SRC at Cardones Substation

2.2.8.1 General description and location of work

The project consists of the installation of static reactive compensation (SRC) equipment at the Cardones Substation, connected to the 220 kV system by installing a 220 kV connection pack.

The general characteristics of the SRC are as follows:

- Static Reactive Compensation: 100/-60 MVar at 220 kV.
- 220 kV Connection Pack.
- MT kV Transformer Pack.
- 220/MT kV Transformer.

2.2.8.2 High tension equipment

The equipment shall be specified according to insulation level, short-circuiting level, degree of pollution, type of service, and installation. The characteristics shall be established at the basic engineering level according to system demand at this node.

2.2.8.3 Entry into operation

At the latest, the project must be finished and operational within the 18 months after the date of award of the corresponding tender.

2.2.8.4 Reference Investment Value (IV) and Cost of Operation, Maintenance and Administration (COMA)

The reference IV of the project is USD 20.7 million. The reference COMA is USD 428,000 (2.1 % of the reference IV).

3 STAGES AND DATES FOR THE TENDERING PROCESS

The Tendering Process for the project shall be executed by the DP of the CDEC-SIC, which for this purpose shall establish its address at:

CDEC-SIC Office, Teatinos 280, Oficina 601, Santiago, Chile

The Stages and Dates for each process shall depend on the specific project. Thus, in the case of transmission projects established in numbers 2.2.1 to 2.2.7, the Stages and Dates are indicated in Table 2, while for the New Work "Installation of a SRC at Cardones Substation," the Stages and Dates are indicated in Table 3.

Table 2: Stages and Dates of Tendering Process (Transmission Projects 1 to 7)

Stage		Deadlines
1	Call for bids	Monday, June 6, 2011.

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Stage		Deadlines
2	Initial date for purchasing Technical and Administrative Conditions	Tuesday, June 14, 2011. Monday-Thursday from 9:00 AM to 12:30 PM and 2:30 to 6:00 PM, Friday from 9:00 AM to 12:30 PM, except for holidays, at CDEC-SIC Office.
3	Initial date for Questions, in writing and with copy sent to the following e-mail: licitacion@cdec-sic.cl	Tuesday, June 14, 2011.
4	Final date for purchasing Technical and Administrative Conditions	Monday, December 5, 2011, until 6:00 PM. CDEC-SIC Office.
5	Final date for Questions	Wednesday, November 2, 2011 at 6:00 PM.
6	Delivery and Publication of Answers to Questions in Writing.	Wednesday, November 16, 2011 at 6:00 PM.
7	Final deadline for editing and/or updating Conditions	Wednesday, November 16, 2011.
8	Initial Date for Submitting Bids	Wednesday, November 23, 2011. Monday-Thursday from 9:00 AM to 12:30 PM and from 2:30 to 6:00 PM, Friday from 9:00 AM to 12:30 PM, except for holidays, at CDEC-SIC Office.
9	Final Deadline for Bids	Tuesday, December 6, 2011 at 12:00 PM. CDEC-SIC Office.
10	Opening of Administrative Bids	Wednesday, December 7, 2011.
11	Estimated Opening of Technical Bids	Monday, December 12, 2012.
12	Opening of Economic Bids	Wednesday, January 25, 2012.
13	Award of Tender by DP	Wednesday, February 1, 2012.
14	Estimated Date for Beginning Project Execution	March 2012

Table 3: Stages and Dates of Tendering Process (Work No. 8-Installation of a SRC at Cardones Substation)

Stage		Deadlines
1	Call for bids	Monday, June 6, 2011.
2	Initial date for purchasing Technical and Administrative Conditions	Tuesday, June 14, 2011. Monday-Thursday from 9:00 AM to 12:30 PM and from 2:30 to 6:00 PM, Friday from 9:00 AM to 12:30 PM, except for holidays, at CDEC-SIC Office.
3	Initial date for Questions, in writing and with copy sent to the following e-mail: licitacion@cdec-sic.cl	Tuesday, June 14, 2011.
4	Final date for purchasing Technical and Administrative Conditions	Monday, September 26, 2011, until 6:00 PM. CDEC-SIC Office.
5	Final date for Questions	Wednesday, September 28, 2011 at 6:00 PM.

Stage		Deadlines
6	Delivery and Publication of Answers to Questions in Writing.	Wednesday, October 12, 2011 at 6:00 PM.
7	Final deadline for editing and/or updating Conditions	Wednesday, October 12, 2011.
8	Initial Date for Submitting Bids	Friday, October 21, 2011. Monday-Thursday from 9:00 AM to 12:30 PM and 2:30 to 6:00 PM, Friday from 9:00 AM to 12:30 PM, except for holidays, at CDEC-SIC Office.
9	Final Deadline for Bids	Friday, November 4, 2011 at 12:00 PM. CDEC-SIC Office.
10	Opening of Administrative Bids	Monday, October 24, 2011.
11	Estimated Opening of Technical Bids	Tuesday, October 25, 2011.
12	Opening of Economic Bids	Friday, November 25, 2011.
13	Award of Tender by DP	Friday, December 2, 2011.
14	Estimated Date for Beginning Project Execution	January 2012

4 FINANCING OF TENDERING PROCESS COSTS AND PURCHASE OF BIDDING CONDITIONS

4.1 TENDERING PROCESS COSTS

The financing of Tendering Processes shall comply with Article 96, letter 1 of DFL No. 4, and Article 2, number 3.1.3 of the Expansion Plan Decree.

In order to finance the costs of Tendering Processes, and to comply with Article 96 of DFL No. 4, the DP shall maintain a detailed, public and updated account of all expenses incurred for this purpose, and the income obtained from the sale of the Bidding Conditions, on its website (www.cdec-sic.cl).

The payment of the costs of Tendering Processes, as well as the criteria and considerations for establishing the corresponding *pro rata*, shall be announced by the DP within 15 days of the date of award of each Project's Technical Audit. The users of each Project must pay the costs calculated by the DP within the deadlines it establishes.

The costs of each Tendering Process to be financed by users of each Project include the cost of the Audit for Project Execution, hereinafter the "Technical Audit," which is described in number 11.2.1 of the present Bidding Conditions, and which has an estimated cost of 3,000 UF (*Unidades de Fomento*) for each Project.

4.2 CALL FOR BIDS AND PURCHASE OF BIDDING CONDITIONS

The call for bids shall be public and international, and shall be made by publishing an advertisement in at least one foreign and two national newspapers. A copy of the calls for bids shall also be published on the websites of CDEC-SIC and the Commission.

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Both Chilean and foreign legal entities may purchase the Bidding Conditions individually or as part of a consortium or association, as long as they fulfill the requisites established in number 5 of the present Bidding Conditions.

The DP shall keep a record of the legal persons that purchase the Bidding Conditions, with their proper identification, and they shall have access to each Tendering Process at the corresponding stages. The DP shall deliver a receipt of the sale and this record to the corresponding legal entity.

The total cost of the Technical and Administrative Conditions for presenting Bids is \$2,000,000 (two million Chilean pesos). The amount obtained by the DP through the sale of the Bidding Conditions shall be used to finance the Tendering Process costs indicated in number 4.1 of the present Bidding Conditions.

The purchase of the present Bidding Conditions shall grant the right to participate in the process of questions and consultations, and to Submit Bids in the Tendering Processes of all the new transmission projects that are to be tendered through the present instrument, and Bidders may submit a single Administrative Bid if they wish to submit bids for one or more new transmission projects.

5 BIDDERS

5.1 GENERAL CONDITIONS

All Chilean and foreign legal entities, either individually or as part of a Consortium or Association, who have experience in the electrical sector, have acquired the Bidding Conditions and are part of the registry created by the DP may participate in each Tendering Process, regardless of whether or not they are open private corporations with electric power transmission or transport as their exclusive line of business.

All participants must have a Risk Classification no less than B, granted no more than 12 months before presentation of the bid, from one of the risk classifiers indicated in Annex 1 of the present Bidding Conditions, and submit financial information from at least the three most recent accounting periods, as established in number 0.

Without detriment to the previous provisions, according to Article 7 of DFL No. 4, any Bidder who is not an open private corporation with electric power transmission or transport as its exclusive line of business must comply with this requisite if awarded any New Work, as established in number 8.2.7 of these Bidding Conditions, and must therefore be established as such, and the participation of the Bidder in the capital stock must be no less than 99.9%.

5.2 CONSORTIUMS OR ASSOCIATIONS

Consortiums or Associations of two or more legal entities may participate in the Tendering Processes, as long as one of these has proven experience in the electrical sector that may permit the participation of the Consortium in these Tendering Processes. If awarded the project, consortiums or associations must comply with the obligation to become established as an open private corporation with electric power transmission or transport as its exclusive line of business, in compliance with number 8.2.7.

Consortiums or Associations may participate in the Tendering Processes, as long as at least one of its companies has purchased these Bidding Conditions.

Legal entities acting through a Consortium or Association must declare their obligation to respect their obligation to fulfill the requirements of the present Bidding Conditions, the content of their Bid, and the relevant legislation.

6 REGULATORY FRAMEWORK OF THE TENDER

For all purposes of these Tendering Processes, the following documents shall be considered an integral part of the present Bidding Conditions:

- General Law of Electrical Services, Executive Decree No. 4 of the Ministry of Economy, Development and Reconstruction (2006), and subsequent modifications to this law.
- Regulations of the General Law of Electrical Services, Supreme Decree No. 327, and subsequent modifications to these regulations.
- Supreme Exempt Decree No. 115 of the Ministry of Energy, both dated May 2, 2011, and published in the Official Newspaper on May 7, 2011.
- .
- Law No. 18,046 on Private Corporations and the Regulations, contained in DS 587 of the Ministry of Finance, published on November 13, 1982 in the Official Newspaper.
- Decree Law No. 40 (1969) of the Ministry of Labor.
- Law No. 18,410, Organic Law of the Superintendancy of Electricity and Fuels.
- Current Technical Safety and Quality of Service Regulations.

Also, in order to prepare their Bids, Bidders may consult, among others, the following documents as reference materials:

- Annual Toll Report, created by the DP of the CDEC-SIC, current as of the initial date of the Tendering Process.
- Decree of Node Prices issued by the Ministry of Energy, current as of the initial date of the Tendering Process.
- Technical Report on the Node Price, prepared by the National Energy Commission, current as of the initial date of the Tendering Process.
- Internal CDEC-SIC Regulations, Procedure Manuals and other Procedures.
- Technical Information on the installations of the Interconnected System, as established in number 9.1 of the present Bidding Conditions.

This information shall be shared by the DP of the CDEC-SIC with all Bidders.

7 DEFINITIONS AND ABBREVIATIONS

In order to better understand the present Bidding Conditions, the following glossary with important definitions and abbreviations is provided:

- a) CDEC-SIC: Economic Cargo Dispatch Center of the Interconnected Central System.

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- b) Commission: National Energy Commission, decentralized public agency created by Decree Law No 2,224 on May 25, 1978, and subsequently modified by Law No. 20,402.
- c) Ministry: Ministry of Energy.
- d) SIC: Interconnected Central System.
- e) Expansion Plan Decree: Exempt Decree No. 115 from May 2011 of the Ministry of Energy and its subsequent modifications, which are described in Article 99 of DFL No. 4.
- f) Decree of Award: decree issued by the Ministry of Energy, as established in Article 97 of DFL No. 4.
- g) Days: unless otherwise indicated, in the present Bidding Conditions or in the pertinent regulatory provisions, the word "days" used in this document means the same as calendar days, that is, the continual chronological sequence of 24-hour days, counted beginning on midnight. This is without detriment to the fact that if the end of the corresponding period falls on a Saturday, Sunday or holiday, it must be understood to end on the following work day.
- h) DFL No. 4: Executive Decree No. 4 of the Ministry of Economy, Development and Reconstruction (2006), General Law of Electrical Services and its subsequent modifications.
- i) DP: CDEC-SIC Directorate of Tolls.
- j) Participant: a legal entity (company, consortium or association) that, having purchased the Bidding Conditions, is preparing its Bid(s) for participation.
- k) Bidder: a Participant that has submitted at least one Bid, consisting of an Administrative Bid, a Technical Bid and an Economic Bid, according to number 4.2 of the present Bidding Conditions.
- l) Winning Bidder: the Bidder that the DP has selected for the execution and exploitation of the project.
- m) Exploitation: exploitation shall be understood in the following senses: operation and administration of the project's main line transmission installations, which include interconnection of the installations of the Interconnected Central System and their coordination through the CDEC-SIC according to the current Chilean legislation; the appropriate maintenance of transmission installations; and the rendering of the transport service established in DFL No. 4.
- n) Tendering Process: process through which the rights of execution and exploitation of each Project are assigned, including the call for bids, award of the tender, supervision of execution and Technical Audits until the work is available for operation within the SIC.
- o) Tendering Entity: the DP in everything related to each Tendering Process.
- p) Bidding Conditions: the Technical and Administrative Bidding Conditions that regulate the Tendering Process, which include administrative aspects and evaluation of bids, and the conditions and characteristics of the Technical Audits conducted during the process of execution of each Project.
- q) Guarantee: a bank document issued by one of the institutions listed in Annex 10 of the present Bidding Conditions, defined in Chapter 8-11 of the Compilation of Regulations of the Superintendancy of Banks and Financial Institutions.
- r) Project: Each New Work included in the Expansion Plan Decree for an international tendering process for awarding the rights of exploitation and execution, which includes the lines and

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installations necessary for inclusion in the SIC, as established in the Expansion Plan Decree and the present Bidding Conditions.

- s) Superintendancy: Superintendancy of Electricity and Fuels.
- t) IV: Investment Value.
- u) A.IV: Annual Payment of Investment Value.
- v) COMA: Cost of Operation, Maintenance and Administration
- w) VATT: Annual Cost of Transmission per Stretch, equal to the sum of A.IV and COMA

8 BIDS

8.1 GENERAL ASPECTS

The Bid shall consist of an Administrative Bid, a Technical Bid and an Economic Bid, which must be submitted in separate envelopes in the form, by the deadline, and at the place specified in the present Bidding Conditions.

As established in number 1 of the present Bidding Conditions, all Bidders who decide to submit bids for two or more projects may present just one administrative bid for several of the projects listed in number 2. The protocol for submitting the administrative bid and the corresponding technical and economic bids is described in number 9.2 of the present Bidding Conditions.

8.1.1 Bidding Expenses

All direct and indirect expenses associated to preparing and presenting each Bid shall be the exclusive responsibility of each Bidder, and in no case shall the DP, or the Ministry, or the Commission be responsible for these expenses or any type of reimbursement.

8.1.2 Language of Bids

Each Bid and all the annexes submitted by Bidders must be written entirely in the Spanish language, except for equipment and installation catalogs, which may be presented in the English language, without detriment to the information required for the Administrative Bid, which if written in a language other than Spanish must include an official Spanish translation. The cost of translating any document in the Spanish language shall be the responsibility of the Bidder.

8.1.3 Currency of Bids

The currency used for each Economic Bid must be United States dollars (USD).

8.1.4 Validity of Bids

Each Bid must possess, at the least, a period of validity no less than 120 (one hundred and twenty) days, beginning on the final deadline for submitting bids, as established in the present Bidding Conditions, and this period must be indicated in the corresponding Bid.

Any Bid that proposes a period of validity less than is required, or which does not clearly specify this period, may be disqualified from the tendering process by the DP.

8.2 ADMINISTRATIVE BID

The Administrative Bid must include all legal, commercial, financial and tax information that may be used to identify the Bidder, establish its legal existence, providing the guarantees necessary for compliance with the requisites established in Article 7 of DFL No. 4 for rendering a public main line transmission service, as well as accrediting its experience in the field and its financial solvency.

The Documents that must be submitted by Bidders in their Administrative Bids are described below.

8.2.1 Document 1: "Statement of Acceptance of Bidding Conditions, their Annexes and Period of Validity of the Bid"

Each Bidder must attach the following:

- A statement properly signed by the legal representative(s), according to the format provided in Annex 2 of the present Bidding Conditions.

If a Bidder has no legal representation in Chile, it must name a representative for the purposes of the present tender through a notarized power of attorney according to the requirements established in number 8.2.3 of the present Bidding Conditions.

In this statement, the Bidder accepts the conditions and provisions which include the present Bidding Conditions, as well as all attached documents.

- A letter which establishes the period of validity of the economic, administrative and technical bids, according to number 8.1.4 of the present Bidding Conditions.

8.2.2 Document 2: "Description and Identification of Bidder"

In order to correctly identify each Bidder, they must submit the following information:

- Legal Name.
- Business Name (DBA).
- Legal Representative or Representatives.
- Uncertified photocopy of the Bidder's RUT (*Rol Único Tributario*). In the case of foreign legal entities, they must submit an equivalent tax document from their country of origin.
- Uncertified photocopy of the ID card of the legal representative(s). In the case of foreign representatives, they must submit a photocopy of the identification document issued by their country, properly legalized according to Chilean law.
- Date of constitution or business start-up.
- The company's line or field of business.
- Address, telephone numbers, fax number, website (if applicable) and e-mail address.

In the case of Consortiums or Associations created especially for purposes of the tender, these must present the previous information for each of the partners or member companies.

8.2.3 Document 3: "Designation of Bidder Representative"

Each Bidder must designate a representative or special attorney who shall be exclusively responsible for executing the Tendering Process with the DP, with domicile or residence in Chile for all legal effects.

The Representative of the Bidder may be the Legal Representative of the Bidder or another person it decides to designate as its representative or special attorney for the effects of this Tender, without detriment to its powers as the Bidder's Legal Representative.

This designation must be established in a Public Deed, if made in Chile, or in an authentic document of value similar to a public deed, if made abroad, and in this last case, the corresponding document must be presented with the proper legalization according to the Chilean laws and with an official Spanish translation. This designation must confer on the Representative sufficient authorization to participate in each and every stage, act and contract that may arise from the present Tender, and which must be irrevocable during the tendering process and until its completion. Thus, the Representative must be authorized to present a proposal and the corresponding bids in a valid manner, concur and execute all acts, subscribe or sign instruments or documents of any type, celebrate contracts and agree to all clauses, whether of its essence, its nature or merely accidental, to pay, to grant representations or to delegate its powers to a third party, agree to and grant guarantees or cautions, whether these be real or personal, agree to pay indemnities, grant and sign termination payments and cancellations, and in general, to dispose of all the prerogatives necessary to correctly execute the Project(s). Also, in the legal sense, it must possess the powers mentioned in both letters of Article 7 of the Chilean Civil Procedure Code; as well as designating the same representative or another individual with an address or residence in the city of Santiago, Chile, with powers to be legally responsible in court, to commit, to negotiate, to designate arbiters, to approve agreements and to receive payments. The Public Deed (or the corresponding foreign document, as mentioned above) must also designate for the Representative an address in the city of Santiago, Chile, which shall be understood as its valid address for the effects of the legal responsibility of the Bidder or Supplier.

Therefore, the aforementioned Representative must possess all the powers necessary to concur to each and every stage of the Tender, in representation of the Bidder and, in this condition, to establish financial responsibility thereof.

8.2.4 Document 4: "Consortium or Association Agreement"

Along with their Bids, Consortiums must submit:

- Photocopy of the Deed issued in Chile (or the authentic document issued in a foreign country, properly legalized according to Chilean law), establishing its creation and all its modifications. If there is a refunded text of this deed or document of constitution, it shall not be necessary to submit the modifications that gave origin to the refunded text;
- Certificate issued by the General Manager or legal representative of the Bidding entity, establishing the legal name of the entities that are part of it, their percentages of participation, and the name of their corresponding legal representatives;

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- Photocopy of the Public Deed issued in Chile (or the authentic document issued in a foreign country, properly legalized according to Chilean law), establishing the designation of the General Manager or the Bidder's legal representative;
- Document(s) that positively accredit the existence and validity of the Bidding entity, issued no more than 60 days before its submission;
- Photocopy of the Deed issued in Chile (or the authentic document issued in a foreign country, properly legalized according to Chilean law), establishing the agreement of the Consortium or Association to participate in the present Tender.

Also, a Consortium or Association must submit documentation proving that they have agreed to respect and fulfill the obligations established in the present Bidding Conditions, the content of their bid, and all relevant legislation.

At any stage of the Tendering Process, the DP may require clarification or additional conditions from any consortium or association, regarding its operation.

8.2.5 Document 5: "Guarantee of Seriousness of Bid"

In order to safeguard the correct fulfillment of the Tendering Process after it is awarded, Bidders must submit one or more (as established in number 9.2 of the Bidding Conditions) Bank Guarantee(s) of Seriousness of the Bid, with a period of validity no less than 180 days beginning on the final deadline for submitting Bids, for the following amounts:

- New 2x500 kV Cardones-Maitencillo Line, New 2x500 kV Maitencillo-Pan de Azúcar Line and New 2x500 kV Pan de Azúcar-Polpaico Line: 12.2 USD million, equal to 2.5% of the sum of the reference IVs of each Project.
- New 2x500 Charrúa-Ancoa Line: installation of first circuit: 3.5 USD million, equal to 2.5 % of the reference IV of the project.
- New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit: 1.14 USD million, equal to 2.5% of the reference IV of the project.
- Lo Aguirre Distribution Substation: Stage I: 1.7 USD million, equal to 2.5 % of the reference IV of the project.
- New 2x220 kV Cardones– Diego de Almagro Line: installation of first circuit: 0.93 USD million, equal to 2.5 % of the reference IV of the project.
- Installation of a SRC at Cardones Substation: 0.52 USD million, equal to 2.5 % of the reference IV of the project.

These guarantees must be taken by the Bidder on behalf of the Ministry of Energy, payable on sight or simple presentation and without notice to the bank of taker, and the DP shall be the agency responsible for its execution if it verifies the conditions that allow it to be cashed. For these purposes, the Ministry must endorse all guarantees within 30 days of its reception, in a collection commission to the DP. This document aims to ensure that the Bidder shall fully respect all conditions and values declared in its Bid, otherwise the DP shall proceed to cash the Guarantee and inform the Ministry of the non-fulfillment of said condition(s).

This document must be issued by an institution listed in Annex 10, with which the DP may cash it. The gloss of the Guarantee shall depend on the specific: *"To guarantee the Seriousness of the Bid in the Tendering Process that shall award the rights of exploitation and execution of:*

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- *The new transmission projects, New 2x500 kV Cardones-Maitencillo Line, New 2x500 kV Maitencillo-Pan de Azúcar Line, and New 2x500 kV Pan de Azúcar-Polpaico Line"*
- *The New 2x500 Charrúa-Ancoa Line: installation of first circuit"*
- *The New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit"*
- *The New Lo Aguirre Distribution Substation: Stage I"*
- *The New 2x220 kV Cardones-Diego de Almagro Line: installation of first circuit"*
- *The New Installation of a SRC at Cardones Substation"*

The DP shall confidentially inform each Bidder of the custody conditions for the corresponding Guarantee(s).

The Guarantees for Bids which are not administratively or technically accepted shall be returned to Bidders within 15 days of the date of opening of the Economic bids.

Bidders who are administratively and technically accepted, and who therefore participate in the stage of Opening of the Economic Bid, but who are not awarded the tender, shall receive their Guarantees within 40 days after the Publication in the Official Newspaper of the Decree of Award for the project. If the call for bids is cancelled, the Guarantees shall be returned within 15 days of the notice of such a situation.

The Guarantee(s) of Seriousness of the Bid of the Winning Bidder shall be returned within 15 days of the date when the DP receives and accepts the information in number 8.2.8 of the present Bidding Conditions. If this reception has not occurred before 15 days of the expiration date of the Guarantee of Seriousness of the Bid, the Winning Bidder must submit to the DP of the CDEC-SIC, within this same period of time, a new Guarantee. The gloss, amount, and all other conditions of this guarantee, except for the expiration date and days of validity, must be exactly the same as the ones on the original guarantee. Otherwise, the DP shall proceed to cash the Guarantee and shall inform the Ministry of the non-fulfillment of said condition(s). This new submission shall only be allowed once, and the period of validity of this new Guarantee must be 60 days, beginning on the expiration date of the original guarantee.

8.2.6 Document 6: "Legal Constitution of Bidding Firm(s)"

In this document, Bidders, depending on whether they are Chilean or foreign companies, must submit the following documentation:

(a) Chilean Companies:

- Authorized copy of the deed of constitution of the corresponding legal entity, and all subsequent modifications, with their corresponding inscriptions in the Commercial Registry of the corresponding Real Estate Registrar and publications in the Official Newspaper, if pertinent;
- Certificate issued by the General Manager of the Bidding entity which certifies the legal name of its partners, their share of stock, and the Bidder and the name of its corresponding legal representatives;
- Authorized notarized photocopy of the public deed that designates the Bidder's General Manager or legal representative;

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- Certificate issued by the corresponding Real Estate Registrar, which establishes the legal existence and validity of the corporation, no older than 30 days before submission of the Bid;
- (b) Foreign Companies:
- Complete and properly notarized copy (according to Chilean law) of its deed or document of constitution and all subsequent modifications. If there is a re-founded text of this deed or document, it is not necessary to submit the modifications that created the re-founded text;
 - Certificate issued by the General Manager of the Bidding entity which certifies the legal name of the partners, their share of stock, and the name of its corresponding legal representatives;
 - Document(s) which are used in their country to reliably accredit the existence and validity of the company, no older than 60 days before submission of the Bid;
 - Original copy of the Public Deed or foreign document, as the case may be, establishing the designation and powers of the Bidder's representative, with an address or residence in Chile, as established in number 8.2.3 of these bases.

All documents written in a language other than Spanish must attach an official Spanish translation to the original text. All foreign documents and translations must be properly legalized according to Chilean Law.

(c) Consortiums or Associations

In the case of a Consortium or Association, along with the documents listed in numbers 8.2.2 and 8.2.4 of the present Bidding Conditions, the Bidder must submit the previously mentioned documents for each of the companies that are part of this Consortium or Association, whether they are national or foreign legal entities.

8.2.7 Document 7: "Public Deed of the Promise to Establish an Open Private Corporation with Electric Power Transmission as its Exclusive Line of Business"

If the Bidder is not an open private corporation with electric power transmission as its exclusive line of business, it must present a written deed promising that, if awarded the tender, it shall be obliged to create or establish itself in Chile as an open private corporation with electric power transmission as its exclusive line of business within the 30 days after the Ministry publishes the project's Decree of Award in the Official Newspaper. Failure to fulfill this promise shall lead to the cashing of the Guarantee as established in number 8.2.8 of the present Bidding Conditions and the immediate annulment of the award, with which the DP shall proceed as established in number 10.5.2 of the present Bidding Conditions.

If, on the date its Bid is submitted, the Bidder is already an open private corporation with electric power transmission as its exclusive line of business established within the country, it must submit as Document 7 of the Administrative Bid, the information that certifies this condition.

If the Winning Bidder is a Consortium or Association, it must subscribe a public deed promising to create or establish itself as an open private corporation with power transmission or transport as its exclusive line of business, at the latest 30 days after the date of publication of the Decree of Award in the Official Newspaper of the Project(s). In case of non-fulfillment, the DP shall proceed according to

the first paragraph of the present number. This Promise shall be subject to the condition of the Bidder being awarded the project.

Once the project enters into operation according to the Decree of Award, the property of the corresponding installations of main line transmission must be transferred to the open private corporation with electric power transmission as its exclusive line of business, created by the Winning Bidder, in order for it to operate according to the provisions of Article 7 of DFL No. 4.

8.2.8 Document 8: "Guarantee of the Creation of an Open Private Corporation with Electric Power Transmission as its Exclusive Line of Business"

Along with the Document requested in number 8.2.7 of the present Bidding Conditions, the Bidders in question must submit a Guarantee in order to safeguard the appropriate fulfillment of their obligation to establish an open private corporation with power transmission or transport as its exclusive line of business, with a period of validity of 220 days beginning on the final deadline for presenting Bids, for a total amount of 2 USD million (MMUSD). This guarantee must be taken by the Bidder on behalf of the Ministry of Energy, and must be payable on sight, with the DP responsible for its execution if it verifies the conditions that allow for it to be cashed. For these effects, the Ministry must endorse this guarantee within 30 days after its reception, in a collection commission to the DP. This document aims to ensure that the Winning Bidder complies with the condition of establishing a private corporation with an exclusive line of business within the period of time established in the present Bidding Conditions and the corresponding Decree of Award. Otherwise, the DP shall proceed to cash the Guarantee and shall inform the Ministry of the non-fulfillment of this condition. This document must be taken according to the provisions of Annex 10, which authorizes the DP to exercise its collection. The gloss of the Guarantee must read: *"To guarantee, if awarded the Tendering Process conducted by the CDEC-SIC Directorate of Tolls, the fulfillment of the obligation to establish an open private corporation with power transmission or transport as its exclusive line of business, according to the deadlines and conditions established in the Decree of Award of the rights of exploitation and execution of the New Work" (name of project, or projects if two or more New transmission projects) for the main line transmission system of the SIC, as issued by the Ministry of Energy."*

The DP shall confidentially inform each Bidder of the custody conditions of the corresponding Guarantee.

The Guarantee for the creation of an open private corporation with electric power transmission as its exclusive line of business shall be returned to Bidders who are not awarded the tender, according to the deadlines and conditions established in number 8.2.5 of the present Bidding Conditions.

The Guarantee for the creation of an open private corporation with electric power transmission as its exclusive line of business shall be returned by the DP to the Winning Bidder within 15 days after the reception and acceptance of the following documents and information:

- Documentation which established its constitution as an open private corporation with electrical power transmission or transport as its exclusive line of business.
- The presentation of the "Guarantee for the Fulfillment of the First Relevant Stage of the project," as described in number 12.1 of the present Bidding Conditions.
- Civil Responsibility Insurance for damages to third parties, as described in number 13.4 of the present Bidding Conditions.

– Catastrophe Insurance, as described in number 13.5 of the present Bidding Conditions.

In the event that the Awarded Consortium, Association or Company has not been established as an open private corporation with electric power transmission as its exclusive line of business within 15 days of the expiration of the Guarantee submitted during the Tendering Process to the DP of the CDEC-SIC and which commits to this act, the Awarded Company or Consortium must submit to the DP, within the same period of time, a new Guarantee. The gloss, amount, and all other conditions of this guarantee, except for the expiration date and period of validity, must be exactly the same as those on the original guarantee. Otherwise, the DP shall proceed to cash the Guarantee and shall inform the Ministry of the non-fulfillment of said condition(s). This new submission shall be allowed only one time, and the period of validity of this new Guarantee shall be 60 days, beginning on the expiration date of the original guarantee.

If, on the date of submission of the Bid, the Bidder is already an open private corporation with electric power transmission as its exclusive line of business and established within the country, it must submit as Document 8 of the Administrative Bid, the information that certifies this condition.

8.2.9 Document 9: "Statement of Acceptance of the Exploitation Conditions"

The Bidder must state its total acceptance and knowledge of the conditions of operation, exploitation and remuneration which shall enter into effect if it is awarded the tender. These conditions shall depend on the provisions of DFL No. 4 and the current regulations.

This statement must follow the format provided in Annex 3 of the present Bidding Conditions.

8.2.10 Document 10: "Statement of Acceptance of Legal Obligations and Fines"

The Bidder must state its total acceptance and knowledge of the current legislation it shall be subject to if awarded the tender, and which establish its obligations and rights as a concessionaire of the main line transmission and its relationship with the regulatory and supervisory authority and the agency that coordinates system operation (CDEC), as well as the sanctions and fines currently applicable in Chile.

This statement must follow the format provided in Annex 3 of the present Bidding Conditions.

8.2.11 Document 11: "Commercial and Financial Information"

In this document, the Bidder must include all information that may allow the DP to evaluate the commercial conditions, as well as the financial solvency, of the company (or companies).

The Bidder must submit commercial reports from all national or international financial institutions with which it operates, indicating its protests, arrears, or history of fulfillment of financial obligations. It must also attach a sworn statement by its legal representative listing all national or international financial institutions with which the company operates.

The aforementioned reports must be no older than six months, counting from the date of submission of the bid.

If the listed financial institutions do not use the term "protest," in its replacement they must clearly credit strict compliance of the company's obligations and handling of the Bidder's account(s).

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In addition, the Debt/Equity ratio and coverage of financial expenses must be calculated, and these indicators must be supported by their financial statements. The information used for these calculations must be consistent with the financial statements submitted by bidders.

In addition, Bidders must provide an original Certificate of Current Risk Classification, issued by one of the institutions listed in Annex 1, issued during the 12 months prior to the final deadline for submitting bids. Along with this certificate, companies must attach a report which summarizes its risk analysis, or the methodology used to determine it.

The Bidder must submit the accounting sheets, statements of results, and corresponding notes to the financial statements for the last three fiscal years, corresponding to the consolidated company and its subsidiaries, with original certificates by the pertinent external auditor.

Finally, the Bidder must include information that may accredit fulfillment of its labor and social obligations. In the case of Chilean legal entities, this must be done through a certificate of the Directorate of Labor corresponding to its address, indicating that these obligations have been fulfilled, and for foreign legal entities, this certificate must be valid under the current legislation of its country of origin, with a period of validity that includes the semester in which the bid is submitted, that is, it must be no older than 180 days, counting from the final deadline for submitting bids, and properly legalized in Chile.

If the authorities of the Bidder's country of origin do not issue a certificate such as the one described on the previous paragraph, the accreditation of fulfillment of labor obligations may be obtained through an external international auditor with the corresponding validation from the legal representative of the Bidder.

All the information described above, which must be submitted by Bidders, shall be evaluated according to number 10.2.2.2 of the present Bidding Conditions.

In the case of Consortiums or Associations, the information requested must be submitted for each company that is part of the Consortium or Association, and shall be subject to the same evaluation process.

In short, the Bidder must submit the following information:

- Reports of Protests, Arrears or history of fulfillment of financial obligations, with a sworn statement by the company listing the Banks with which it operates.
- Certificates from external auditors regarding Debt/Equity ratio according to the most recent financial statements audited.
- Certificates from external auditors regarding Coverage of Financial Expenses according to the most recent financial statements audited.
- Risk Classification Report.
- Financial statements, accounting sheets and statement of results for the last three fiscal years, for the company and its subsidiaries.
- Report regarding the fulfillment of labor and social obligations.

8.2.12 Document 12: "Projected Financing Structure"

Bidders must submit a description of the projected financing structure, indicating the percentages of its own debt and capital considered for the construction stage of the project, specifying the loan institutions and/or other financing entities that have participated or are participating as the Bidder's advisory agents.

In addition, for the stage of execution of new transmission project and for a total of 240 successive months (20 years), beginning on the date of entry into operation of the project, the Bidder must offer a financial projection indicating its capital contribution, estimated debt, estimated expenses of the corresponding investment and estimated financial expenses.

8.2.13 Document 13: "Technical Experience and Competence of Bidder"

In this document, Bidders must include information that may allow the DP to evaluate its experience and technical competence.

- For this purpose, Bidders must prove their experience and technical competence, indicating mainly their experience in the exploitation of electrical transmission systems.

For these purposes, Bidders must present the information of the transmission lines with a tension of more than 115 KV they have built or exploited, providing details on the type of participation (execution, exploitation or both), date of Entry into Service, Tension Level, Number of Kilometers and Transport Capacity (MVA). They must also present information for substations, transformers or compensation equipment with a tension level of more than 115 KV in the high yard, that they have built or exploited, providing details on the participation (execution, exploitation or both), date of Entry into Service, Transformation Capacity (MVA).

The information mentioned above must be submitted according to the format described in Annex 7.

For this effect, in the case of Consortiums or Associations, only the information for companies with at least a 30% participation in the corresponding Consortium or Association shall be considered as relevant.

Also, in each case, certificates of appropriate operation (and execution if applicable) must be included for the systems or works for which the Bidder has been responsible over the last five years.

If the Bidder's country of origin has no institutions that issue such a certificate of appropriate operation and execution, the Bidder must submit equivalent certificates from a specialized external consultant to the company, or reports on failures and breakdowns of its installations by the System Operator in the corresponding country. These certificates must be properly validated by the legal representative of the Bidder.

The information required may include projects executed and operated by the main branch or subsidiaries of bidding companies, but may not include those corresponding to subcontracted companies.

8.3 TECHNICAL BID

For each Project for which a Bidder submits a Bid, it must also submit an independent Technical Bid.

Each technical bid must include the documents listed below.

8.3.1 Document 14: "Project Timeline"

The Bidder must submit a timeline for the execution of each Project (Gantt Chart), with the project activities and chronological markers the Bidder shall perform during the execution of each project.

Each activity listed on the timeline must indicate a start date, duration and flexibility. For these effects, an activity's flexibility shall be defined as the maximum delay the activity may suffer without causing a delay in the project's entry into operation within the specified period of time.

Each chronological marker listed on the timeline must indicate a deadline, and the period of execution must be counted in calendar days.

For effects of the previous two paragraphs, the start dates for activities and fulfillment of markers must be labeled with the word "day," followed by the number that corresponds to the date in question (day 1, day 2, day 3, etc.).

It is hereby established that day 1 of this timeline shall correspond to the date of publication of the corresponding Decree of Award in the Official Newspaper.

Without detriment to the aforementioned, the timeline shall include bars representing the duration of activities, whose length shall be measured in months. There shall be graphic indications that point out the activities that must precede or follow other activities.

The timeline must establish four Relevant Markers, according to the following:

- Relevant Marker No. 1: Orders to Proceed for Supplies and Study that determines the detailed project specifications: In the case of transmission lines, this corresponds to orders to proceed for at least 50% of the following items: conductor, metallic structures and insulators. In the case of the transmission project "Lo Aguirre Distribution Substation: Stage I" and "Installation of a SRC at Cardones Substation," it shall be the order to proceed for the Bank of 500/220 kV Auto-transformers and the Static Reactive Compensator, respectively. Also, a Study must be submitted with each project's detailed specifications for serial compensation, reactors and circuit breakers, among others, including dynamic system studies, which must guarantee the correct operation of these installations once connected to the SIC.

This must be documented with a letter of acceptance of the order to proceed for supplies, issued by the Winning Bidder(s) of the corresponding supply, and approval of the study that establishes the detailed project specifications by the project auditor and the CDEC-SIC.

This Marker must be fulfilled within the 365 calendar days following the publication of the corresponding Decree of Award in the Official Newspaper.

- Relevant Marker No. 2: Obtaining a Resolution of Environmental Qualification and Presenting the Request for Definitive Concession: This corresponds to the approval of the Environmental Impact Study or Statement (as the case may be) by the competent agencies, which must be submitted by the Bidder which has been awarded the project and the execution of the request for definitive concession to the Ministry of Energy.

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Obtaining the Resolution of Environmental Qualification may be proven by verifying the issue of such a resolution by the competent agency. The admissibility of the request for concession may be proven by presenting the corresponding Memo from the Ministry of Energy.

- Relevant Marker No. 3: Construction of foundations: In the case of transmission lines, this may be proven by on-site inspection by personnel of the Technical Audit, which is described in number 11.2.1 of the present Bidding Conditions, who must verify a percentage of progress corresponding to the construction of at least 50% of the line structure foundations.
- In the case of the New Work “Lo Aguirre Distribution Substation: Stage I,” this may be proven by on-site inspection by personnel of the Technical Audit, which is described in number 11.2.1 of the present Bidding Conditions, who must verify a percentage of progress corresponding to the construction of all civil works (foundations for all equipment) and installation of all structures, high and low, of the New Substation.
- In the case of the New Work “Installation of a SRC at Cardones Substation,” this may be proven by on-site inspection by personnel of the Technical Audit, which is described in number 11.2.1 of the present Bidding Conditions, who must verify the construction of all civil works and installation of high and low structures for the Static Reactive Compensator at the corresponding Substation.

Relevant Marker No. 4: Equipment Test: This corresponds to the trial and/or testing of the equipment of the new transmission projects, such as circuit breakers, insulators, reactors, compensation platforms, and measurement equipment, among others. Fulfillment of this Marker may be proven by approval of the Test reports by the Project Auditor. The types and number of trials, the norms and laboratories considered, as well as the number and equipment to be tested, shall be determined by the Project Auditor according to the type and scope of the Project. The costs associated to the trials and tests shall be the absolute responsibility of each Winning Bidder.

- Relevant Marker No. 5: Entry into operation of the project: This corresponds to the finalization of the entry into service of the corresponding project. This may be proven by on-site inspection by personnel of the Technical Audit, which is described in number 11.2.1 of the present Bidding Conditions, who must verify the correct entry into service of each Project according to the indications of the Technical Bid described in these Bidding Conditions.

The period of time between the relevant markers must be greater or equal to 6 months. In the case of the Work “Installation of a SRC at Cardones Substation,” the period of time between relevant markers must be greater or equal to 3 months.

Without detriment to the aforementioned, the Winning Bidder may propose to modify the date established for each of the first four Relevant Markers, at the latest 30 days before the deadline established for each Marker, which may be approved by the DP. If the DP approves the requested changes, these must be reported by the DP to the Ministry, the Commission and the Superintendancy, at the latest within the 5 days following their acceptance. For this purpose, the Winning Bidder is obliged to renew the corresponding guarantee, as established in number 12.1 of these Bidding Conditions, with an additional period of 60 days after the new completion date established for the modified Marker. The Winning Bidder must submit this new guarantee to custody of the DP, at the latest 30 days before the expiration of the original guarantee being extended. If this

does not occur, the DP must proceed to cash the corresponding guarantee, regardless of whether or not the requested deadline extension was approved.

8.3.2 Document 15: "Promise of Deadline Compliance"

The Bidder must submit a private deed, signed before a Notary Public, promising to comply with the deadlines and markers established in the Gantt Chart described in the previous number. Also, this promise establishes that the Bidder commits to delivering the operational Project at least by the deadline indicated in the project's Decree of Award issued by the Ministry, in case it is awarded the Bid.

If the DP approves any changes to the Relevant Markers as indicated in the previous number, the Winning Bidder must submit a new Promise of Deadline Fulfillment according to the new Relevant Markers, complying with the same conditions established in the previous section, at the latest 30 days before the expiration of the original guarantee being extended, as established in the previous number.

8.3.3 Document 16: "Technical Description of Project"

The Bidder must submit the following information regarding the Project identified in number 2 of the present Bidding Conditions, which shall be considered the specific characteristics of the Bid, and which must follow the indications of the Expansion Plan Decree:

- a) Information on Basic Transmission Lines:
 - Maximum Line Capacity (MVA).
 - Estimated Line Length (km).
 - Positive, negative and zero sequence resistance, with and without serial compensation (r_1 , r_2 and r_0) at Ω/km and per unit, 100 MVA base.
 - Positive, negative and zero sequence reactance, with and without serial compensation (x_1 , x_2 and x_0) at Ω/km and per unit, 100 MVA base.
 - Positive, negative and zero sequence susceptance, with and without serial compensation (B_1 , B_2 and B_0) at mS/km and per unit, 100 MVA base.
 - Line Capacity Curve (MVA) versus ambient temperature ($^{\circ}\text{C}$).
 - Capacity and tension level of the Reactors to be installed at the corresponding Substation.
 - Capacity, tension level and technology to be used for the serial compensation to be installed, as well as the description of the control system to be used.
 - Flexibility of operations at substations connecting to the SIC.
 - No. of bays, indicating the details of each one, for both the line and the reactors, the serial compensation and the bays and/or positions of the projected second circuit (in the case of the construction of the first circuit only), among others.
 - Measurement and Protection System for the line.
 - Conductor Section (mm^2).

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- Type of conductor(s) (ACSR, ACAR, etc.)
- Number of conductors per phase.
- Average opening (km).
- Estimation of land used for each substation.
- Simplified unilinear diagram showing the primary equipment components and their interaction with existing installations, considering possible solutions from the operational and physical perspective.
- Blueprints of the installation locations, showing the feasibility of specific solutions according to existing installations.
- Schemes and specific description of the following project systems:
 - Control.
 - Protections.
 - Communication.

b) Basic Substation Information:

- Busbar Arrangement:
- Number of 500 kV and 220 kV Yards:
- Type and Characteristics of the Transformation:
- Capacity Transformation with and without Forced MVA Ventilation between Yards:
- Description of the connection groups and Coil Taps:
- Quantity, Capacity and Surface to be used by CCEE Banks:
- Blueprint of installation locations, showing the provision of all Substation equipment. Also must show:
 - Total Surface to be used.
 - Yard Surface.
 - Control Building Surface.
 - Compensation Platform Surface.
 - Surface Available for Future Development
 - Streets and Roads
- Simplified unilinear diagram showing the components of primary equipment and their form of interaction with the installations, considering possible solutions from both the operational and physical perspectives.
- Schemes and specific description of the following project systems:
 - Control.
 - Protections.
 - Communication.
 - Safety

c) Static Reactive Compensation Information:

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- Capacity Inductive and Capacitive Reactive Compensation.
- Number of Steps.
- Control, Protection and Measurement System.
- Blueprint for installation locations, showing the feasibility of specific solutions, according to the existing installations.
- Simplified unilinear diagram showing the components of the primary equipment and its form of interaction with the installations, considering possible solutions from both the operational and physical perspectives.

d) Other Information:

- Description of the data transmission system.
- Description of the protection system against vibrations.
- Description of the types of structures.
- Description of the insulation set.
- Description of the protection against atmospheric discharges.
- Description of the ground mesh.
- Description of the type of reactor units and the backup units (triple-phase or single-phase).
- Description of the project's Facilities for Automatic Control of reactors and serial compensation.

The systems described in this point must include a qualitative description and the corresponding schemes for each one.

e) Calculation Log for Operation of New Lines:

A Calculation Log must be submitted proving that the electrical parameters resulting from the projected line shall produce a balanced distribution of the energy transmission between each New Line and the existing parallel lines. This shall also apply in the cases of the new transmission projects "New 2x500 Charrúa-Ancoa Line: installation of first circuit," "New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit" and "New 2x220 kV Cardones-Diego de Almagro Line."

f) Minimum requisites to consider for each Project's Information:

Following the description of the previous paragraphs, Bidders must consider the following minimum requisites for each project:

- At each substation, the reactors to be installed must include backup equipment of the same characteristics that may allow the installed unit to be replaced during a possible failure, whether single-phase units or a triple-phase unit has been considered. This backup equipment must be for the exclusive use of each new line.
- The reactors for each Project must include the corresponding bays according to the line tension level, and each bank must be operated independently. The operational signals (open / close) shall depend on the operation of the electrical system, originating in local and/or remote

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automatic commands. The project's reactors and serial compensations, as well as its own operational system, must possess the necessary faculties to be controlled automatically by a control device, such as the existing MAIS, receiving and providing signals that may allow an appropriate operational coordination with the other, existing control devices on the parallel lines.

- For the description of the type of structures and the insulation set, in the cases of construction of the first circuit only, that is, for the “New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit,” “New 2x220 kV Cardones-Diego de Almagro Line: installation of first circuit” and “New 2x500 Charrúa-Ancoa Line: installation of first circuit” projects, each Project's line must consider at least the installation of all crossbars to support both circuits. For the second circuit, the only thing pending must be the installation of insulator chains with iron frames and the conductor itself. For the purposes of each Project's design, it must be considered that the second line circuit must have characteristics similar to the first circuit.
- The projects for new 500 kV lines must comply with a resistance (in ohms per kilometer) no greater than 0.025 ohm/km per phase. The projects for new 220 kV lines must comply with a resistance (in ohms per kilometer) no greater than x,xxx ohm/km per phase.
- The capacities of the reactors and serial compensation of the New Work “New 2x500 Charrúa-Ancoa Line: installation of first circuit,” as well as their control systems, must allow for operation symmetrical and compatible with the existing Charrúa-Ancoa 500 kV line. The serial compensation must be capable of compensate around 50% of the line series reactance. The definitive value of this compensation must be determined by the Winning Bidder according to its own studies, such that a balanced operation with the other parallel lines is achieved.

8.4 ECONOMIC BID

The Bidder must not include in its Economic Bid any costs arising from the use of common installations, lands, auxiliary services, communications services and other installations related to the Interconnected Central System (SIC), which are not part of the project, whose total amount and payment by transmission system users shall be determined subsequently according to current regulations. In the same way, all costs related to complementary or additional works that may appear during the construction of the project, or at the moment of their connection to the system, must be subject to this same principle. All other costs shall be understood as included in the economic bid.

The Economic Bid of the Winning Bidder shall become the remuneration for each Project, as established in Article 95 of DFL No. 4.

8.4.1 Document 17: "Economic Bid of Project"

In its Economic Bid, the Bidder must declare an annual value of the transmission per stretch (VATT) for each Project, in United States dollars (USD), as of the estimated date of award of each Project. This Bid (indexed according to the formula established in Annex 5) shall become the remuneration for each Project and shall be applied during five tariff periods, after which the installations and their valuation must be revised and updated through the corresponding Main Line Transmission Study. Also, the Bidder must indicate the A.IV and COMA which make up the VATT Bid.

In the case of the new transmission projects: “New 2x500 kV Cardones-Maitencillo Line,” “New 2x500 kV Maitencillo-Pan de Azúcar Line” and “New 2x500 kV Pan de Azúcar-Polpaico Line,” the Economic

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Bid must consider the execution of all three Projects jointly, identifying for each one the corresponding A.IV and COMA.

In order to evaluate the economic bids, the annual value of transmission proposed by the Bidder must not include IVA (Chilean Value Added Tax).

The aforementioned tariff periods shall refer to the four-year tariff periods established in Article 84 of DFL No. 4.

During the period of application of said remuneration, this remuneration shall be indexed using the formula described in Annex 5.

All payments to the company that owns each Project for transport or transmission services shall be made according to Articles 101 (and subsequent articles) of DFL No. 4.

The remuneration period applicable to each Project awarded shall span a total of 240 successive months (20 years), beginning on the project's date of entry into operation. The initial and final dates of this remuneration period shall be established in detail in the corresponding Decree of Award.

9 QUESTIONS REGARDING THE TENDERING PROCESS AND SUBMISSION OF BIDS

9.1 PROTOCOL FOR QUESTIONS AND ANSWERS REGARDING THE TENDERING PROCESS AND REQUESTS FOR INFORMATION

Through the CDEC-SIC website, the DP shall provide for all interested parties the relevant technical and commercial information that is available for preparing bids, in terms of the installations of the System Interconnected Central. This information shall include at least the following:

- a) For General documentation:
 - i. List of all regulations and their corresponding files;
 - ii. Information and/or studies on connections and short-circuiting; and
 - iii. Information and/or study on protections.
- b) For the substations:
 - i. Blueprints of substations;
 - ii. Unilinear diagram with protections details;
 - iii. Arrangement of the primary equipment in the yard;
 - iv. Arrangement of equipment at the command building with information on the availability of spaces;
 - v. Substation ground mesh;
 - vi. Unilinear diagram of the auxiliary services with the existing availability for the project; and
 - vii. Map of canals.
- c) For the Transmission Line:
 - i. If there is a mandatory route on the line exit, this must be indicated in a map.

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d) For Telecommunications:

- i. Information and/or studies on the determination of the available frequency.

In the absence of updated data or information, whatever is available on the main line transmission study shall be provided, along with its backup information and an annual review by the DP as established in Article 99 of DFL No. 4.

Without detriment to the aforementioned, all interested parties may ask questions on the present Bidding Conditions, delivering them formally in writing to the DP until the date established for this effect in number 3 of the present Bidding Conditions, in a labeled envelope directed to the CDEC-SIC Directorate of Tolls, in the following manner:

Señor

Eduardo Ricke Muñoz

Dirección de Peajes CDEC-SIC

Teatinos 280, Piso 6

Santiago

Chile

NAME OF THE COMPANY:

E-MAIL ADDRESS:

**SUBJECT: QUESTIONS TO THE DP OF THE CDEC-SIC REGARDING THE TENDERING
PROCESS OF THE PROJECT " _____ (Name of the project) _____ "**

The content of the envelope shall be verified by personnel of the DP. The interested party shall receive an act of delivery of the envelope with the Questions, which shall indicate the date and hour of reception. A copy of the questions may also be sent to the following e-mail address: licitacion@cdec-sic.cl.

Both the answers to the formal questions submitted by interested parties, and the clarifications of the present Bidding Conditions, shall be included in communications called Clarification Memos, directed to all those who asked questions, according to the deadlines established in number 3 of the present Bidding Conditions and the requisites of the present number, which shall be sent to them to the same e-mail address they declared in the registry indicated in number 4.2 of the present Bidding Conditions or in the envelope with questions submitted to the DP. In addition, these clarification memos shall be published on the CDEC-SIC website at the same time they are sent to all those who asked questions.

The Clarification Memos must meet the appropriate conditions of clarity according to the Bidding Conditions and provide complete answers to each issue or consultation. All interested parties shall have time to request all clarification and complementation they find pertinent, respecting the framework of the consultations already submitted.

Rectifications, corrections or additions to the present Bidding Conditions may be made following the consultation process, or whenever the DP considers it pertinent to introduce them, up until the final deadline for answering these consultations. Rectifications, corrections or additions to the present Bidding Conditions may only be incorporated if approved by the Commission.

9.2 PROTOCOL FOR SUBMITTING BIDS

The DP shall receive the Bids, one by one, in a private act in its offices, on the days and hours scheduled in number 3 of the present Bidding Conditions. The Bidder shall receive a copy of the act of submission of the Bid, which shall indicate the date and time of reception, as well as its formal content (as established below). Also, in this act, the Bidder shall declare that the information submitted is true as established in the Bidding Conditions, and that if submission of false or malicious information is detected, the DP is authorized to disqualify said Bid from the Tendering Process. Also, this act shall indicate that the Bidder has desisted from any type of subsequent claim with the DP, the Ministry or any other entity due to missing or inadequate information that may have been submitted to participate in the Process.

All Bids must be submitted in separate envelopes, indicating clearly which are Administrative Bids, Technical Bids, and Economic Bids, with the name of the Bidder, identification of the company, corporation or companies that are part of a Consortium presenting the Bid. In the case of Technical and Economic Bids, they must also indicate the name of the project for which the Bidder is submitting the Bid. Delivery of Bids must be, at the latest, on the date and time established in number 3 of the present Bidding Conditions.

Each envelope must be closed and sealed, and must contain an original and a copy of the corresponding Bid and its supporting documents, and a CD or DVD containing all these documents in MS Office format.

The Bidders who decide to submit Bids for two or more projects, as established in number 8.1 of the present Bidding Conditions, may submit a single Administrative Bid for several of the projects established in number 2. In this case, the Bidder must attach to its Administrative Bid, the same number of Guarantees of Seriousness of the Bid as projects on which it shall be submitting Bids. Each of the Guarantees must fulfill the requisites established in number 8.2.5 of the Bidding Conditions.

In the event that any of the Guarantees does not fulfill the requisites described in the aforementioned number 8.2.5, the Bidder shall automatically be disqualified from the tendering process for the specific project associated to said Guarantee.

Bids must be submitted to the following address; envelopes must be labeled and directed to the DP of the CDEC-SIC:

Señor
Eduardo Ricke Muñoz
Dirección de Peajes CDEC-SIC
Teatinos 280, Piso 6
Santiago
Chile

NAME OF BIDDER:

BID: ADMINISTRATIVE, TECHNICAL OR ECONOMIC (as the case may be)

PROJECT: " _____ (Name of the project) _____ "

The DP shall not receive any Bids after the day and time established as the final deadline for Bids.

9.3 ERRORS OR OMISSIONS IN BIDS

Any errors, omissions, corrections, amendments or any type of conditioning the Bids or supporting documents may contain, whether they be mathematical or of another nature, shall be the exclusive responsibility of the Bidder and shall not alter in any way the prices of the Economic Bid or the obligation to fulfill the Bidding Condition. In any case, this situation shall authorize the DP to disqualify the corresponding Bid.

10 OPENING AND EVALUATION OF BIDS

10.1 GENERAL PROCEDURE FOR OPENING AND EVALUATING BIDS

The following criteria shall be considered for evaluating Bids: fulfillment of administrative and commercial aspects, quality of the Technical Bid, and economic value of the Bid.

The stages for opening and evaluating Bids shall be completed as follows:

1. Opening and Evaluation of Administrative Bid.
2. Opening and Evaluation of Technical Bid.
3. Opening and Evaluation of Economic Bid.

The conditions and requisites for proceeding to open and evaluate each Bid are described below.

10.2 OPENING AND EVALUATION OF ADMINISTRATIVE BID

10.2.1 Act of Opening for Administrative Bid

All Bidders may attend the act of opening, for which purpose the DP shall report to them the time and format of this ceremony.

The act of opening of each Bidder's Administrative Bid shall be held at the DP offices in a single act, within 24 hours of the deadline established in number 3 of the present Bidding Conditions.

The act of opening of Administrative Bids shall be executed by DP professionals and directed by the CDEC-SIC Director of Tolls, who shall proceed to verify if all the requested information has been included.

The CDEC-SIC Director of Tolls shall produce an administrative act that shall establish who submitted each Bid and the information received. This administrative act shall be sent to all Bidders and the Commission via e-mail and postal mail.

Under no circumstance shall the DP accept that Bidders submit missing documents that were requested in the Bidding Conditions, nor modify or correct those that are rejected, after the act of opening has begun. No new Bid or counterbid shall be accepted after day and time established as the final deadline for receiving Bids.

The envelopes for the "Economic Bid" must be sealed and signed by the CDEC-SIC Director of Tolls and the DP professionals who participate in the process of opening the Administrative Bid. Economic

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Bids shall remain unopened at the DP offices, until the process of reviewing and evaluating the Administrative and Technical Bids has concluded.

10.2.2 Evaluation of Administrative Bid

The evaluation of Administrative Bids shall be conducted in two phases. Initially, the submission of the information in Documents 1 to 13, as established in number 8.2 of the present Bidding Conditions, shall be verified. Bidders who fulfill these requisites shall be evaluated according to the Commercial and Financial Aspects presented in their Bids, as established in number 10.2.2.2 of the present Bidding Conditions.

During the stage of evaluation of Administrative Bids, the DP may request from one or more Bidders information that it considers pertinent in order to verify the information included in the corresponding Administrative Bid or the validity of the information submitted. Such request(s) made by the DP must be reported to all Bidders via e-mail. The Bidder or Bidders must provide the requested information in the format and within the time period established by the DP.

The following evaluation method shall be used to evaluate Administrative Bids.

10.2.2.1 Evaluation of Administrative Aspects

It shall be verified that all documents requested of Bidders in these Bidding Conditions have been included in the “Administrative Bid,” that is, Documents 1 to 13 as established in number 8.2 of the present Bidding Conditions.

In this section, a verification matrix such as the one presented below shall be used for the **¡Error! No se encuentra el origen de la referencia.**

Table 4: Administrative Evaluation Matrix

Documents Related to Administrative Aspects		1= YES 0 =NO
1	Statement of Acceptance of Bidding Conditions, their Attached Documents and Period of Validity of the Bid.	
2	Description and Identification of the Bidder.	
3	Designation of the Bidder’s Representative.	
4	Consortium or Association Agreement.	
5	Guarantee of Seriousness of the Bid.	
6	Legal Constitution of the Bidding Company or Companies.	
7	Public Deed Promising to Establish an Open Private Corporation with Electric Power Transmission as its Exclusive Line of Business.	
8	Guarantee of Establishing an Open Private Corporation with Electric Power Transmission as its Exclusive Line of Business.	
9	Statement of Acceptance of the Exploitation Conditions.	
10	Statement of Acceptance of Legal Obligations and Fines.	
11	Commercial and Financial Information.	
12	Projected Financing Structure.	
13	Experience and Technical Competence of Bidder.	

Document 4 shall only be required if the Bidder is a Consortium.

Documents 7 and 8 shall not be required if the Bidder(s) is(are) established as Open Private Corporations with Power Transmission as their Exclusive Line of Business, and this has been proven with the a notarized public deeds and registry in the Business Registry (included with Document 6).

If one of the documents listed in the **¡Error! No se encuentra el origen de la referencia.** is missing or incomplete, the Bid shall receive a score of zero. Also, since they are legal documents, they must comply with all the required solemnities and formalities, otherwise, they shall be evaluated with a zero.

All Bidders who receive a score of zero on any of the documents requested in this matrix shall automatically be eliminated from the Tendering Process, except in the aforementioned cases of Document 4, 7 and 8.

10.2.2.2 Commercial and Financial Aspects and Bidder Experience

All Bids that have satisfactorily submitted all the documentation required in the previous number shall be evaluated according to the Financial and Commercial Aspects, Experience and Technical Competence of the Bidder, included in the "Administrative Bid." The information contained in Documents 11 and 13 (requested in number 8.2 of the present Bidding Conditions) shall be specifically evaluated.

The information contained in Document 11 shall be evaluated according to the following **¡Error! No se encuentra el origen de la referencia.:**

Table 5: Evaluation Matrix for Commercial and Financial Information

Evaluation of Document 11: "Commercial and Financial Information"	Score
Financial Ranking	1 to 7
Risk Classification	1 to 7

The Financial Ranking score shall be the simple average of the aspects described in Annex 8. The Risk Classification score shall be evaluated as established in Annex 11. All Bidders considered for technical evaluation must have a simple average score of at least 5.0 on the **¡Error! No se encuentra el origen de la referencia..**

All Bidders that obtain an average score under 5.0 shall automatically be eliminated from the Tendering Process.

In the case of a Consortium or Association, each company that is part of the Consortium must have a simple average score of at least 5.0 for the **¡Error! No se encuentra el origen de la referencia..**

The information contained in Document 13 shall be evaluated as established in Annex 7. All Bidders that, according to this Annex, have scores under 5.0 shall be eliminated from the Tendering Process, except if the Bidder does not accredit specific experience in the transmission sector, in which case the provisions of letter e) of Annex 7 shall apply. At the latest, the DP must notify Bidders whose Administrative Bids have not qualified under the present Bidding Conditions within 24 hours of the

end of the administrative evaluation. This notification shall be through an e-mail sent to each Bidder's registered e-mail.

If, after the administrative evaluation, no Bidder has qualified according to the provisions established in the preceding paragraphs, the DP shall proceed as indicated in number 10.5.2 of the present Bidding Conditions.

10.3 OPENING AND EVALUATION OF TECHNICAL BID

10.3.1 Act of Opening for Technical Bid

All Bidders may attend the act of opening of Technical Bids, for which purpose the DP shall inform them of the time and format of this ceremony.

At the latest, 24 hours after the final deadline established in number 3 of the present Bidding Conditions for the Opening of the Technical Bid, the CDEC-SIC Director of Tolls shall proceed to open the envelopes labeled "Technical Bid."

El act of opening of Technical bids shall be performed by DP professionals and presided by the CDEC-SIC Director of Tolls, who shall proceed to verify if all the requested information has been included.

The CDEC-SIC Director of Tolls shall produce an administrative act that shall establish who submitted bids and what information was received. This administrative act shall be sent to all Bidders via certified mail and e-mail.

Under no circumstances shall the DP allow Bidders to deliver missing documents requested in the Bidding Conditions at this stage.

The envelopes labeled "Economic Bid" shall remain unopened and in custody of the DP, until the process of review and evaluation of Administrative and Technical Bids has been completed.

10.3.2 Evaluation of Technical Bid

Submission of Documents 14 to 16, listed in number 8.3 of the present Bidding Conditions shall be verified. All Bidders with Bids passing this stage and the Evaluation of Administrative Bids shall be evaluated according to the Economic Bid submitted.

The following evaluation method shall be used to evaluate each Technical Bid.

10.3.2.1 Evaluation of General Technical Aspects of Project

Bids shall first be evaluated in terms of the information requested in Documents 14 to 16, listed in number 8.3 of the present Bidding Conditions, according to the following **¡Error! No se encuentra el origen de la referencia.:**

Table 6: Evaluation Matrix for Technical Information

Documents Related to General Technical Information		1= YES 0 = NO
14	Project Timeline	

Documents Related to General Technical Information		1= YES 0 = NO
15	Promise of Fulfillment of Deadlines	
16	Technical Description of Project	

If one of the documents listed in the **¡Error! No se encuentra el origen de la referencia.** is missing, contains noticeable inconsistencies or is incomplete, the Bid shall receive a score of zero. Also, since these are legal documents, they must comply with all required solemnities and formalities, otherwise, they shall be evaluated with a score of zero.

All Bidders who have received a zero on any of the documents requested in this matrix shall be automatically eliminated from the Tendering Process. All Bidders with a one in each of the three fields shall go on to the evaluation of their Technical Bids.

10.3.2.2 Evaluation of Technical Aspects of Project

During the stage of evaluation of Technical Bids, the DP may request from one or more Bidders information that it considers pertinent in order to verify the information contained in a specific technical bid or the validity of the deadlines offered and the information submitted. All request(s) made by the DP must be communicated to all Bidders via e-mail. The Bidder or Bidders must submit the requested information in the format and within the time period determined by the DP.

The criteria for evaluating the technical information and characteristics of a project, contained in each Bidder's Technical Bid, are described in Annex 9. Only those Bidders who have obtained a score of five or more points on the aspects evaluated according to Annex 9 shall qualify for the stage of Opening of Economic Bids.

The DP must produce a document (Administrative Act or Report) with the information and observations that determine why a Bid was not qualified in the Technical Bid stage, complementing the corresponding score according to Annex 9.

In the event that, after the technical evaluation, no Bidder has qualified according to the provisions established in the preceding paragraphs, the DP shall follow the procedure described in number 10.5.2 of the present Bidding Conditions.

10.4 OPENING AND EVALUATION OF ECONOMIC BID

10.4.1 Act of Opening for Economic Bid

All Bidders may attend the Act of Opening of Economic Bids, for which purpose the DP shall inform them of the time and format of this ceremony.

Once the DP reports the results of the evaluation of Administrative and Technical Bids, and within 24 hours of the deadline established in number 3 of the present Bidding Conditions for the Opening of Economic Bids, the CDEC-SIC Director of Tolls shall proceed to open the envelopes labeled "Economic Bid," in the case of Bidders whose Administrative and Technical Bids were both accepted, according to the evaluation performed following the steps described in numbers 10.2 and 10.3 of the present Bidding Conditions.

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The Economic Bid enveloped for Bidders whose bids were not accepted during the stage of administrative and/or technical evaluation, shall be returned unopened.

The DP shall proceed to disqualify from the Tendering Process all Bidders whose Economic Bid envelopes contain more than one economic bid.

The DP shall accept no new Bids or counterbids after the day and time established as the final deadline for reception of Bids.

During the act of opening of Economic Bids, the CDEC-SIC Director of Tolls shall produce an administrative act that shall establish who presented Bids, which were not opened, the information received in the opened Bids, and the values proposed in the Economic Bids, from least to greatest, clearly identifying the corresponding Bidder.

10.4.2 Evaluation of Economic Bid

The DP shall proceed to award the project to the Bid presenting the best Economic Bid according to Article 95° of DFL No. 4, that is, the least annual cost of transmission per stretch (VATT) for each Project.

In the case of the New 2x500 kV Cardones-Maitencillo Line, the New 2x500 kV Maitencillo-Pan de Azúcar Line, and the New 2x500 kV Pan de Azúcar-Polpaico Line, the VATT must consider the execution of these three transmission projects as just one project.

Also, the VATT to be awarded (and therefore to be paid) shall consider the condition of the system when the Expansion Plan was created. Any changes to this condition and effects on the safety of the service at the moment of the project's connection or entry into operation, must be assumed by the owners of the corresponding installations, to the extent that they must comply with all technical norms, and these costs shall not be included in the VATT of the new project to be tendered, and therefore shall not be charged to the new project.

If there is a tie between 2 or more Bids, the Bidder with the best simple average of scores assigned for the aspects indicated in Annex 9, which evaluates the Technical Bid, shall be awarded the project.

If a tie should persist, a random selection mechanism shall be applied.

10.5 DISQUALIFYING BIDS AND CANCELLING TENDERS

10.5.1 Disqualifying Bids

Depending on the stage of the Tendering Process, and according to the provisions of the present Bidding Conditions, the CDEC-SIC Director of Tolls shall produce an administrative act stating and supporting the reasons why the specific Bids were disqualified.

10.5.2 Cancelling Tendering Process

If none of the Bidders fulfill the requisites of the Bidding Conditions, the DP shall declare the Tendering Process "cancelled." Bidders shall not have the right to any indemnization, and may not submit complaints or request reimbursements of any type. This situation shall be consigned in an Administrative Act produced by the Director of Tolls, indicating and supporting the information and reasons why the Tendering Process was cancelled.

If this occurs, the DP shall have a period of 3 days to communicate this situation to the Ministry, the Commission and the Superintendancy, as well as publish the corresponding Act on its own website.

The Commission shall produce new Bidding Conditions according to DFL No. 4 and the Expansion Plan Decree, except in those aspects related to the timeframes and deadlines established in said Decree, and the DP must proceed according to these new Bidding Conditions.

11 AWARDING THE RIGHTS OF EXPLOITATION AND EXECUTION OF THE PROJECT

11.1 AWARDING THE PROJECT

Within 24 hours of the evaluation of Economic Bids, the CDEC-SIC Director of Tolls shall notify the Bidder (legal representative) which was awarded the Tender by a properly received letter, and shall attach to this letter a copy of the corresponding Act of Award. A copy of this notice shall also be sent to the Ministry, the Commission and the Superintendancy. All this without detriment to legal award of the Tender, which upon publication in the Official Newspaper of the corresponding Decree of Award issued by the Ministry.

The Winning Bidder must subscribe, at the latest within 5 days after reception of the letter mentioned above, an Act of Acceptance of the Project, through a public deed which establishes its acceptance of the award of the project and of fulfillment of the project according to the conditions of its Bid, and the promise to submit to the obligations, conditions and legal rights of the Decree of Award. Non-fulfillment of these provisions in the previous paragraph shall authorize the DP to proceed to cash the corresponding Guarantee, according to the present Bidding Conditions. In this situation, the DP may award the project to the Bidder that came in second place.

In this case, the DP shall proceed with the same formality described in the first paragraph of this number. The new Winning Bidder must update the validity of its corresponding cautionary documents and subscribe, at the latest within 5 days after reception of the letter mentioned in the first paragraph, an Act of Acceptance of the Project, through a which establishes its acceptance of the award of the project and of fulfillment of the project according to the conditions of its Bid, and the promise to submit to the obligations, conditions and legal rights of the Decree of Award. If the new Winning Bidder does not fulfill these conditions, its shall be immediately eliminated from the Tendering Process, the provisions described in the previous paragraph regarding the Guarantee shall be applied, and the DP shall proceed successively according to the provisions of this paragraph to the next Bidder.

If the project is not awarded to any of the qualified Bidders, the DP shall proceed to declare the Tendering Process “cancelled,” following the procedure described in number 10.5.2 of the present Bidding Conditions.

11.2 EXECUTING THE PROJECT

La execution of the project under the conditions of the Bid submitted by the Winning Bidder must be supervised by the DP according to the conditions and mechanisms established in the present Bidding Conditions, which are to be understood as an integral part of the Bid.

The DP shall be responsible for supervising the progress of the project, through Technical Audits of Project Execution, approval of the fulfillment of each of the project’s Relevant Markers, reports

presented to the Ministry regarding eventual non-fulfillment of deadlines and technical conditions, and cashing of the corresponding Guarantees, according to the modes, formalities and deadlines specified in the present Bidding Conditions.

11.2.1 Technical Audit

For each project, the DP shall contract the corresponding Technical Audit in a timely manner, during the stage of Execution of the project, in order to verify fulfillment of the deadlines and markers previously established for Execution of the project.

This Technical Audit shall include verification of the fulfillment of each of the project's Relevant Markers according to the commitment made by the Winning Bidder in its Technical Bid, and also includes specifically the following points:

- To monitor and certify fulfillment of the Relevant Markers established according to number 8.3.1 of the present Bidding Conditions, during the stage of execution.
- To send an executive report to the DP, the Commission and the Superintendancy every two months, informing them of the status and percentage of progress of the transmission projects in execution.

The Winning Bidder and the owners of the corresponding substations must grant to the Technical Audit and DP personnel full access to the project installations and information on them, as required and considered necessary for the task of monitoring, certifying and controlling fulfillment of the obligations arising from the Decree of Award.

For these purposes, the Winning Bidder shall present to the Auditor, in a timely and appropriate manner, the following information:

- Calculation logs, certificates and other documents the Auditor esteems convenient and which prove that the project has fulfilled the conditions established in the Technical Bid and the requirements of the Bidding Conditions.
- Documentation that supports the processes and communications made by the Winning Bidder towards the public agencies involved with the project: CONAMA, SEC, CDEC, among others, or those which may replace them.
- Works, progress, testing and entry into service programs, the protocols for these works and the results obtained.
- Seismic calculation logs for the primary substation structures and equipment in fulfillment of technical standards.

12 GUARANTEES OF EXECUTION AND OPERATION OF PROJECT

Besides the submission of the Guarantees described in numbers 8.2.5 and 8.2.8 of the present Bidding Conditions, the Winning Bidder must also submit the following Guarantees.

12.1 GUARANTEE OF FULFILLMENT OF PROJECT STAGES

The Winning Bidder must submit a Guarantee in order to caution the correct fulfillment of the project's Relevant Markers, as established in number 8.3.1 of the present Bidding Conditions. This guarantee

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must be delivered to the DP within five work days after publication of the Decree of Award in the Official Newspaper.

The following mechanism shall be used for presenting Guarantees:

- The Winning Bidder must submit a Guarantee with a period of validity of at least 60 days from the deadline established in its Gantt Chart for the project's first relevant marker, for a sum equal to 2% of the project's reference IV, as established in the Expansion Plan Decree.
- Once the first Relevant Marker is fulfilled, regardless of whether or not the Guarantee for this marker has been cashed by the DP, the Winning Bidder must submit another Guarantee for the same amount established in the previous paragraph, but with a period of validity no less than the date corresponding to 60 days after the expiration of the deadline established in its Gantt Chart for the next relevant marker for each Project in execution, according to the timeline.
- The process shall proceed in the same manner for the rest of the project's Relevant Markers.

These guarantees must be taken by the Winning Bidder on behalf of the Ministry of Energy, must be payable on sight, and the DP must be authorized to cash them, for which purpose the Ministry may endorse them in commission to the DP within the 30 days following their reception. These documents ensure that the Winning Bidder complies with the deadlines indicated in its Gantt Chart for the project's corresponding Relevant Markers. If this does not occur, the DP shall proceed to cash the corresponding Guarantee and shall inform the Ministry of non-fulfillment of said condition.

This document must be taken with one of the Institutions listed in Annex 10, in which case DP may cash it. The gloss of each Guarantee must read: "*To guarantee the execution deadline for the (name of the Relevant Project Marker), as established in Document 14 of the Technical Bid, for exploitation and execution of the new work " _____ (name of project) _____, " and the conditions established in the Decree of Award issued by the Ministry of Energy.*"

The DP shall inform the Winning Bidder confidentially of the custody conditions of the corresponding Guarantee.

Guarantees shall be returned to the Winning Bidder after a report sent from the DP to the Ministry of Energy and the Commission, within fifteen days after reception and acceptance by the DP of the corresponding Technical Auditor report, establishing timely and satisfactory fulfillment of the deadline for the corresponding marker, and after delivery of the Guarantee of fulfillment of the next Relevant Marker.

The Guarantee for fulfillment of the relevant marker associated to the project's entry into operation shall be returned within the 5 days after the Winning Bidder presents to the DP a Guarantee for Correct Operation of the Project According to the Conditions Offered by the Winning Bidder.

12.2 SANCTIONS FOR DELAYS IN PROJECT DELIVERY

Without detriment to the cashing of the guarantee of fulfillment established for the project's entry into operation, the Winning Bidder shall be subject to a fine for fiscal benefit equivalent to 0.068% of the Project's reference I.V., established in the Expansion Plan Decree, for each day the Project's entry into operation is delayed.

For this purpose, the Project's date of entry into operation shall be established in the corresponding Decree of Award issued by the Ministry.

The DP shall certify the number of days of delay verified each month and shall liquidate the fine, communicating to the Winning Bidder the amounts of the fines due to the General Treasury of the Republic. The Winning Bidder shall pay the fine(s) before the fifth work day after this notice by the DP, using Form 10. This obligation shall be supervised by the Superintendancy, in light of its legal attributions.

The provisions of Article 105 of DFL No. 4 shall also apply in case of delay of entry into operation.

The amount to pay shall be USD 60,000 for each day of delay after the date of entry into operation established in the Decree of Award issued by the Ministry. This daily fine shall have a maximum limit equal to 60 days of delay.

12.3 THE RIGHT TO END THE EXECUTION OF THE PROJECT EARLY AND REVOKE THE AWARD

Without detriment to the cashing of the corresponding Guarantees, the DP shall always reserve the right to end the process of execution of the project early, prior authorization by the Ministry, in the event of serious non-fulfillment, such as the Winning Bidder's failure to deliver the corresponding Guarantees by the required deadlines, or other breaches that may indicate that the Winning Bidder may not be capable of executing the project as promised.

The Ministry shall authorize the early end of the execution process, by issuing a Decree of Revocation of Award, when the DP has sufficiently accredited the serious non-fulfillment(s) mentioned in the previous paragraph.

12.4 GUARANTEE OF PROJECT OPERATION ACCORDING TO THE CONDITIONS OF AWARD

Within 30 days before the project is operational, the Winning Bidder must submit to the DP a Guarantee in order to caution that the project's performance shall meet the technical conditions promised by the Winning Bidder during its first year of operations, with a period of validity of 15 months counting from its entry into operation, and for an amount equal to 3% of the project's reference IV, as established in the Expansion Plan Decree.

Submission of this Guarantee shall be a necessary requisite for the authorization of the project's entry into operation.

This guarantee must be taken on behalf of the Ministry of Energy, payable on sight, with the DP as the agency responsible for its execution if verifies the conditions that allow it to be cashed. For these purposes, the Ministry must endorse this guarantee to the DP in commission within 30 days of its reception. This document aims to ensure that the Bidder fully respects all conditions and levels of operation offered in its Bid; otherwise, the DP shall proceed to cash the Guarantee and inform the Ministry of non-fulfillment of said condition.

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This document must be taken with one of the institutions listed in Annex 10, in which case DP may cash it. The gloss of the Guarantee must read: "*To guarantee project operation according to the technical conditions promised, in the Tendering Process to award the rights of exploitation and execution of the new work " (name of project) " on the main line transmission system of the SIC.*"

The DP shall inform the Winning Bidder confidentially of the custody conditions for the corresponding Guarantee.

The Guarantee shall be returned to the Winning Bidder within fifteen days of the DP's reception and acceptance of the Technical Auditor's Report, establishing the correct operation of the project during its first 12 months in SIC.

12.5 GUARANTEE OF EXECUTION OF THE PROJECT AND PAYMENT OF FINES

Along with the Guarantees mentioned in 12.1, the Winning Bidder must present a Guarantee in order to caution the effective execution of the Project, as well as the payment of fines due to delays in its entry into service, for an amount equal to 8% of the Project's reference I.V., as established in the Expansion Plan Decree.

These guarantees must be taken by the Winning Bidder in benefit of the Ministry of Energy, payable on sight, and the DP must be authorized to cash them, for which purpose the Ministry may endorse them in commission to the DP, within 30 days after their reception.

This Guarantee must be submitted to the DP within five work days after the publication of the Decree of Award in the Official Newspaper, and must have a period of validity of no less than 6 months after the expiration of the date established in its Gantt Chart for the Project's Fifth Relevant Marker. Without detriment to this period of validity, at least 60 days before its expiration, the Winning Bidder must renew this Guarantee, until it has fulfilled the conditions required for it to be returned.

If the award of the tender is revoked, as established in 12.3, and in case it has been verified that it has not paid the delay fines referred to in 12.2., the corresponding Guarantee shall be cashed.

This document must be taken with one of the institutions established in Annex 9, with which it may be cashed. The gloss of each Guarantee must read: "*To guarantee the effective execution of the Project and the payment of fines, as established in the Technical Bid, for the exploitation and execution of the new work "(name of Project)," in the corresponding Bidding Conditions and the conditions established in the Decree of Award issued by the Ministry of Energy.*"

The DP shall inform the Winning Bidder confidentially regarding the conditions of custody of the corresponding Guarantee.

The Guarantees shall be returned to the Winning Bidder, after a report submitted by the DP to the Ministry of Energy and the Commission, within fifteen days of the reception and acceptance by the DP of the corresponding report by the Technical Auditor, which establishes that the Project has entered into operation, after submitting the Guarantee for the Correct Operation of the Project

According to the Conditions Offered by the Winning Bidder, and verification by the DP that the Winning Bidder has paid the delay fines mentioned in 12.2., if applicable.

13 GENERAL OBLIGATIONS OF BIDDERS AND WINNING BIDDER

13.1 ACQUISITIONS

The necessary purchase, acquisition and/or rental of movable and/or immovable property, materials or technical tools for locating the installations of the Project(s) must be done directly by the Winning Bidder, under its exclusive responsibility and by its own account and risk, and as the case may be, in compliance with DFL No. 4 and all other applicable regulations.

13.2 OBLIGATIONS

All expenses made or values paid for obligations shall be the exclusive responsibility of the Winning Bidder.

All obligations shall be the responsibility of the Winning Bidder, who shall also be responsible for establishing them according to the current legal framework and respecting the deadlines for project execution and entry into operation.

All costs derived from the purchase of sites, expropriations and other similar acts related to obligations shall be the responsibility of the Winning Bidder, and must be included in its Economic Bid.

13.3 ENVIRONMENTAL ASPECTS

If necessary, the Winning Bidder must assume the expenses and costs derived from fulfillment of all environmental regulations that are applicable to the Project(s).

13.4 CIVIL RESPONSIBILITY INSURANCE FOR DAMAGES TO THIRD PARTIES

During the stage of execution, the Winning Bidder must adopt all measures necessary to avoid damages to third parties, bodily injuries and death, whether of the personnel employed in the works or other third parties. It must also take all necessary precautions to avoid damages to the private property of third parties and to the environment during the execution of works.

The Winning Bidder shall be solely responsible for all damages of any nature caused through the execution and exploitation of the project to third parties, work personnel, the property of third parties or the environment, and to this effect it must purchase all necessary insurance.

Within the period of time established in 8.2.7 of the present Bidding Conditions, the Winning Bidder must submit to the DP copies of its civil responsibility insurance policies, certified by the insurance company, equal to 1% of the project's reference IV as established in the Expansion Plan Decree, with a maximum deductible of 5%, payable in cash, and valid during the entire stage of project execution and until 12 months after its entry into operation.

The Insured Parties must include the Winning Bidder and at least the companies, contractors and subcontractors involved, and the Winning Bidder must be the beneficiary.

The aforementioned is without detriment of the power of the DP or the Ministry of applying or cashing the corresponding Guarantee(s).

13.5 CATASTROPHE INSURANCE

Within the period of time established in 8.2.7 of the present Bidding Conditions, the Winning Bidder must submit a or more insurance policies covering catastrophic risks during the entire execution of the project and until the entry into operation of all works. This insurance shall be for an amount that over time may cover at least the equivalent of 20% of the total value of the project's reference IV as established in the Expansion Plan Decree. This insurance must be taken as "All Construction Risk" insurance, and have the DP of the CDEC-SIC as its beneficiary. The amounts perceived from catastrophic insurance shall be collected by the DP of the CDEC-SIC and destined to the reconstruction or reparation of the damaged project. This insurance must be valid during the entire period of execution of the project and until the entry into operation of all works, and must be paid in cash.

These policies must cover catastrophic risks during the stage of execution, including, among others, popular disturbances and malicious acts, and their validity must extend until the project's estimated date of entry into operation.

The catastrophic insurance policies may not be included or include the civil responsibility policies described in number 13.4 of the present Bidding Conditions, and must be submitted separately.

The Insured Parties must include the Winning Bidder and at least the companies, contractors and subcontractors involved.

Any liquidation of the Insurance Company made under this policy must be presented to the Ministry for its approval.

It shall be the responsibility of the Winning Bidder to pursue actions with the insurance companies in order to receive payments for damages or accidents.

13.6 LICENCES, PERMITS AND OTHERS

The Winning Bidder must assume all responsibility for obtaining permits, licenses and other legal obligations, both during the project's period of execution, as well as during its exploitation, including the fulfillment of the corresponding conditions of connection to the electrical system.

13.7 IDENTIFICATION OF INTERFERENCE

The Winning Bidder is under the obligation to identify and resolve all interference that may occur during the period of execution, interconnection and exploitation of the project, such as interferences with other lines, substations, or generation installations, among others.

All transportation and modification of installations that existed –according to the information on which Tendering Process was conducted and based, as well as the conditions of connection that existed at the time of the Tendering Process and that was presented formally in this process– shall be the responsibility and charge of the Winning Bidder.

13.8 OTHER CRITERIA TO CONSIDER IN THIS PROJECT

During the development of the project, the Winning Bidder shall be obliged to consider the following:

- Fulfillment of the Technical Standards of Service Quality and Safety, as well as all other current regulations (environmental, technical, electrical, DGA, among others).
- Execution of the corresponding impact studies before entry into operation, as established in the CDEC-SIC Internal Regulations.
- Compatibility of the technical and construction characteristics of the line interconnection bays at substations with all existing installations and systems.
- Compatibility of the control and protection systems with all existing systems.
- Design criteria and calculation of the elements according to current regulations for projects in this area. As a reference point, reading the NSEG 5 En 71 Norms for Strong Currents is recommended.
- Safety factors, levels of environmental, and seismic and climatological compliance that are characteristic of the project zone.

It is the Bidder's responsibility to include in its design criteria all seismic specifications that experience advises. This experience is related to all projects in Chile and the experience of suppliers that have supplied equipment for projects in Chile.

In general, electrical equipment and all its parts, structures, equipment as such, and additional accessories, must be designed to be capable of resisting –without suffering damages or disturbances to the installation services– the most unfavorable total responses required when faced with seismic movements, in total knowledge of the foundations sustaining them and the site on which they are installed.

Efforts must be made for both horizontal and vertical planes, in terms of their values of acceleration, displacement and speed, according to the accepted criteria for these types of designs.

- All the equipment considers rigid components and other, non-rigid parts; but both must be able to function as a harmonic group when faced with seismic phenomena, maintaining safe response levels within the recommended ranges.

ANNEXES

ANNEX 1 LIST OF RISK CLASSIFIERS

- Feller-Rate
- Moody's
- Standard and Poor's
- Fitch Ratings

ANNEX 2 FORMAT OF STATEMENT OF ACCEPTANCE OF BIDDING CONDITIONS

SWORN STATEMENT

In [city/country], on [date] 2011, [name of legal representative(s)], legal representative(s) of [name of the legal entity bidder] acknowledges to know and accept the content of the Bidding Conditions created by the National Energy Commission for the Tendering Process to Award the Rights of Exploitation and Execution of the new transmission projects considered in Exempt Decree No. 115 (2011) of the Ministry of Energy, for the Main Line Transmission System of the SIC, and is obliged to observe all its provisions.

Also, the period of validity of the Administrative Bid, the Technical Bid and the Economic Bid shall be at least 120 days after the final deadline for submitting bids, as established in the aforementioned Bidding Conditions.

[name and signature of legal representative(s)]

ANNEX 3 FORMAT OF STATEMENT OF ACCEPTANCE OF EXPLOITATION CONDITIONS

SWORN STATEMENT

In [city/country], on [date] 2011, [name of legal representative(s)], legal representative(s) of [name of the legal entity bidder] acknowledges to know and accept the Conditions of Exploitation established in the Chilean Legislation and the present Bidding Conditions for the Tendering Process to Award the Rights of Exploitation and Execution of the new transmission projects considered in Exempt Decree No. 115 (2011) of the Ministry of Energy, for the Main Line Transmission System of the SIC, and is obliged to observe all its provisions.

[name and signature of legal representative(s)]

ANNEX 4 STATEMENT OF ACCEPTANCE OF LEGAL OBLIGATIONS AND FINES

SWORN STATEMENT

In [city/country], on [date] 2011, [name of legal representative(s)], legal representative(s) of [name of the legal entity bidder] acknowledges to know and accept the legal obligations and fines established in the current Chilean Legislation and the present Bidding Conditions for the Tendering Process to Award the Rights of Exploitation and Execution of the new transmission projects considered in Exempt Decree No. 115 (2011) of the Ministry of Energy, for the Main Line Transmission System of the SIC, and is obliged to observe all its provisions.

[name and signature of legal representative(s)]

ANNEX 5 INDEXATION OF THE ANNUAL COST OF TRANSMISSION BY STRETCH OF EACH PROJECT

The Annual Cost of Transmission by Stretch submitted in US dollars by the Bidder in its Economic Bid (VATT), shall be readjusted each year according to the variation of its components A.IV and COMA, using the following formulas:

$$AVI_k = AVI_0 \cdot \left[\alpha_n \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k} + \beta_{1,n} \cdot \frac{CPI_k}{CPI_0} + \beta_{2,n} \cdot \frac{PF e_k}{PF e_0} + \beta_{3,n} \cdot \frac{PCu_k}{PCu_0} + \beta_{4,n} \cdot \frac{PAI_k}{PAI_0} \right]$$

$$COMA_k = COMA_0 \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

Where, for all previous formulas:

AVI_k : Value of A.IV, which is the awarded VATT of the New Work for month k.

$COMA_k$: Value of COMA, which is the awarded VATT of the New Work for month k.

IPC_k : Value of the Consumer Price Index (IPC) in the second month prior to month k, as published by the National Statistics Institute (INE).

DOL_k : Average Observed Price of the US Dollar, in the second month prior to month k, as published by the Central Bank of Chile.

CPI_k : Value of the Consumer Price Index (All Urban Consumers), in the second month prior to month k, as published by the Bureau of Labor Statistics (BLS) of the government of the United States of America (BLS Code: CUUR0000SA0).

$PF e_k$: Value of the Iron and Steel Index, of the Producer Price Index-Commodities series, Metals and Metal Products group, in the sixth month prior to month k, as published by the Bureau of Labor Statistics (BLS) of the government of the USA. (BLS Code: WPU101).

PCu_k : Average price of copper, the second, third and fourth months prior to month k, as quoted on the London Metal Exchange (LME), corresponding to the monthly Cash Seller & Settlement value, as published by the Monthly Newsletter of the Chilean Copper Commission, in US\$/Lb.

PAI_k : Average price of aluminum, the second, third and fourth months prior to month k, as quoted on the London Metal Exchange (LME), corresponding to the monthly Cash Seller & Settlement value, as published by the Monthly Newsletter of the Chilean Copper Commission, in US\$/Lb.

And where sub-index 0 of the formula indicated for the project corresponds to the month the project was awarded.

The reference IV of the work, as well as its reference COMA, shall be obtained by indexing the values indicated in number 2.1, using the same equations shown previously, with month k being the month of the project's call for bids, and with the base values being as follows:

Index	Base value	Month
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IPC ₀	99.38	October 2009, December 2008 Base = 100
DOL ₀	545.83	October 2009
CPI ₀	216.177	October 2009
PF _{e0}	171.1	June 2009
PCu ₀	281.98	August-October 2009
Pa ₀	85.37	August-October 2009

The previous table shall only be applied in order to index the reference value of each project. The corresponding Decree of Award shall establish the base values of the indexes, for purposes of indexing the VATT (in its AVI and COMA components) that is awarded. To this effect, the month during which each Project is awarded shall be used as a reference point, in order to establish the base values of the indexes such that during the month of the Award, the application of the indexation formula for AVI and COMA produces as a result the AVI and COMA of the awarded VATT.

Coefficients α and β_1 to β_4 , which shall be used for the aforementioned formula of each New Work, are as follows.

No.	New Work	α	β_1	β_2	β_3	β_4
1	New 2x500 kV Cardones-Maitencillo Line	0.379	0.260	0.206	0.004	0.151
2	New 2x500 kV Maitencillo-Pan de Azúcar Line	0.309	0.269	0.207	0.003	0.212
3	New 2x500 kV Pan de Azúcar-Polpaico Line	0.405	0.224	0.224	0.003	0.144
4	New 2x500 Charrúa-Ancoa Line: installation of first circuit	0.393	0.322	0.179	0.006	0.100
5	New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit	0.627	0.216	0.097	0.014	0.046
6	Lo Aguirre Distribution Substation: Stage I	0.149	0.851	0.000	0.000	0.000
7	New Line Cardones-Diego de Almagro 2x220 kV: installation of first circuit	0.458	0.298	0.164	0.006	0.074
8	Installation of a SRC at Cardones Substation	0.279	0.673	0.029	0.011	0.008

ANNEX 6

ANNEX 7 FORMATS AND TABLES FOR EVALUATING DOCUMENT 13

The submission of the information in Document 13, "Experience and Technical competence of the Bidder," must be completed using the following tables (as applicable):

Table 7: Technical Experience in Transmission Systems-Transmission Lines

Name of Line	Tension [kV]	Length [km]	Nominal Capacity [MVA]	Operator or Executor ¹	Client ²	Attachment ³

Table 8: Technical Experience in Transmission Systems - Substations

Name of SSEE	Number of Transformers	Operator or Executor ¹	Client ²	Attachment ³

Table 9: Technical Experience en Transmission Systems - Transformers

Name of Transformer	Nominal Capacity [MVA]	Tension			Operator or Executor ¹	Client ²	Attachment ³
		Prim	Sec	Ter			

Table 10: Technical Experience in Generator Systems

Name of Plant	Type	Number of Units	Installed Power [MW]	Operator or Executor ¹	Client ²	Attachment ³

Table 11: Technical Experience in Distribution Systems

Name of System	Energy Purchased [GWh]	Energy Sold [GWh]	Number of Clients	Attachment ³

¹ Must indicate whether the company acted as executor of the project or whether it is the operator itself.

² Must indicate the name of the operator of the transmission system.

³ Name of the report and/or electronic file which backs up the information submitted.

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Bidders shall be evaluated considering the independent experience and technical competence they may have in the different segments of the electrical sector. The final score shall be the best qualification, according to the following weighting:

- a) If the Bidder accredits only experience and technical competence in transmission, 100% of its evaluation shall be based on this segment.
- b) If the Bidder accredits experience and technical competence in both transmission and generation, it shall be evaluated as follows: the score obtained in experience in the transmission segment shall weigh 85%, and the score obtained in the generation segment shall weigh 15%.
- c) If the Bidder accredits experience and technical competence in both transmission and distribution, transmission shall weigh 80% and distribution shall weigh 20%.
- d) If the Bidder accredits experience and technical competence in transmission, distribution and generation, transmission shall weigh 70%, distribution shall weigh 15%, and generation shall weigh 15%.
- e) If the Bidder does not accredit experience in the electrical transmission segment, it must qualify with a score of seven in the segments of distribution and/or generation.

In order to qualify the experience and technical competence of Bidders, the execution (engineering and construction) and operation of transmission, generation and distribution projects shall be considered, according to years of experience, number and size of the project(s) in which it has participated, according to the following criteria:

- f) The electrical transmission segment shall be considered and evaluated with scores ranging from one to seven:
 - ii. Transmission lines, which shall be measured by line kilometers and tension level.
 - iii. Substations, which shall be measured by tension level, transformation capacity (MVA) and number of bays.
- e) The electrical generation segment shall be considered and evaluated with scores ranging from one to seven:
 - i. Number of generation units.
 - ii. MW installed per unit.
- f) The electrical distribution segment shall be considered and evaluated with scores ranging from one to seven:
 - i. Distribution lines, which shall be measured by line kilometers and tension level.
 - ii. Number of clients.

ANNEX 8 EVALUATION OF DOCUMENT 11

Protests

Table 12: Evaluation of Protests

Situation	Score
Companies without protests	7
Companies with resolved protests	4
Companies with unresolved protests	1

Arrears

Table 13: Evaluation of Arrears

Situation	Score
Companies without arrears	7
Companies with arrears	1

Debt/Equity Ratio

$$\frac{D}{P} = \frac{\text{Total Pasivos}}{\text{Total Patrimonio}}$$

$$D / P = \text{Total Liabilities} / \text{Total Equity}$$

Where:

Total Liabilities : corresponds to the "Total Liabilities" item of the company's General Consolidated Assessment.

Total Equity : corresponds to the "Total Equity" item of the company's General Consolidated Assessment.

Table 14: Evaluation of Debt/Equity Ratio

Situation	Score
Less than or equal to 1	7.0
Greater than 1 and less than 2	6.0
Greater than 2 and less than 3	4.5
Greater than 3 and less than 4	3.5
Greater than 4 and less than 5	2.5
Greater than 5	1.0

Coverage of Financial Expenses

$$\text{Cobertura de Gastos Financieros} = \frac{\text{Res. Op.} - \text{Dep.}}{\text{G. Financieros}}$$

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Coverage of Financial Expenses = [Op. Res.-Depr.] / Financial Exp.

Where:

Op. Res. : corresponds to the "Operational Results" item of the company's Consolidated Results Statement.

Depr. : corresponds to the "Depreciation" item of the company's Consolidated Results Statement.

Financial Exp. : corresponds to the "Financial Expenses" item of the company's Consolidated Results Statement.

Table 15: Evaluation of Coverage of Financial Expenses

Situation	Score
Greater than or equal to 6.0	7.0
Greater than 5,0 and less than 6	6.5
Greater than 4,0 and less than 5	6.0
Greater than 3,0 and less than 4	5.5
Greater than 2,0 and less than 3	5.0
Greater than 1,5 and less than 2	3.0
Greater than 1.0 and less than 1.5	2.0
Less than 1	1.0

ANNEX 9 EVALUATION CRITERIA AND SCALE FOR TECHNICAL BID INFORMATION

The following criteria shall be used to evaluate the technical information submitted by the Bidder in Documents 14 and 16.

As a general rule applicable to the Technical Bids included in a) and b) below, the Bidder must consider the following:

- Fulfillment of all current laws (environmental, technical, electrical and other).
- Compatibility of the technical and construction characteristics of the interconnection line bays at the substations with existing systems and installations.
- Compatibility of control systems and protections with existing systems.

Document 14: Project Timeline

A general evaluation shall be made of the consistency of the timeline submitted for executing the project (Gantt Chart), considering especially the chronological markers and minimum activities listed below:

	Activity	Marker
1	Development of Preliminary Engineering	
2	Definitive Project and Preparation of Bidding Conditions, Supplies and Works	
3	Tendering of Supply Contracts	
4		Call for Bids for Work Contracts
5	Tendering of Works Contracts	
6		Order to Proceed with Construction Contracts
7	Processing of Concession Decree	
8		Submission of Request to the Ministry of Energy
9		Concession Decree
10	Environmental Impact Study or Statement	
11		EIS Approval Decree
12	Negotiation of Obligations (progress program)	
13	Construction Contracts (progress program)	
14		Equipment Test
15		Start of Service

The Bidder may include other activities and markers in this basic Gantt Chart, according to the development of the project Bid. However, it must clearly indicate the Relevant Markers established and/or approved by the DP, in accordance with numbers 8.3.1 and 8.3.2 of the present Bidding Conditions. The DP shall evaluate the quality and viability of the Gantt Chart with scores of 1.0 to 7.0, with a minimum score of 5.0 required to qualify for this stage.

Document 16: Technical Description of Project

For all the following aspects of the aforementioned Document, the DP shall evaluate the submission of information that is well-founded and satisfies the technical requirements requested in the Bidding Conditions for the project.

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a) For all the following aspects of Document 16, the DP shall evaluate the submission of information that is well-founded and satisfies the technical requirements requested in the Bidding Conditions for the project.

1. Basic Transmission Line Information:

- i. Maximum Line Capacity (MVA).
- ii. Estimated Line Length (km).
- iii. Resistance of positive, negative and zero sequence, with and without serial compensation ($r1$, $r2$ and $r0$) at Ω/km and by unit, 100 MVA base.
- iv. Reactance of positive, negative and zero sequence, with and without serial compensation ($x1$, $x2$ and $x0$) at Ω/km and by unit, 100 MVA base.
- v. Susceptance of positive, negative and zero sequence, with and without serial compensation ($B1$, $B2$ and $B0$) at mS/km and by unit, 100 MVA base.
- vi. Line Capacity Curve (MVA) versus Ambient Temperature ($^{\circ}\text{C}$).
- vii. Capacity and tension level of the Reactors to be installed in the corresponding substations.
- viii. Capacity, tension level and technology to be used for the serial compensation to be installed, as well as the description of the control system to be used.
- ix. Flexibility of operations at substations connecting to the SIC.
- x. No. of bays, indicating the details of each one, for both lines and reactors, the serial compensation and the bays and/or positions of the projected second circuit (in the case of construction of the first circuit only), among others.
- xi. Line Measurement and Protection System.
- xii. Conductor section(s) (mm^2).
- xiii. Type of conductor(s) (ACSR, ACAR, etc.).
- xiv. Number of conductors per phase.
- xv. Average span (km).
- xvi. Estimated land used at Ancoa and Alto Jahuel substations.
- xvii. Simplified unilinear diagram showing the primary equipment components and its form of interaction with the existing installations, considering possible solutions from both the operational and physical perspectives.
- xviii. Blueprints of the installation locations, showing the feasibility of specific solutions according to the existing installations.
- xix. Schemes and specific description of the following project systems:
 - Control
 - Protections
 - Communication

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2. Basic Substation Information:

i. Bus Configuration:

ii. Number of 500 kV and 220 kV Yards:

iii. Type and Characteristics of Transformation:

iv. Transformation Capacity With and Without Forced MVA Ventilation between Yards:

v. Description of the connection groups and coil taps:

vi. Number, Capacity and Surface to be Used by Static Condenser Banks:

vii. Blueprints of installation locations, showing the arrangement of all substation equipment, which must also show:

- Total Surface to be Used.
- Yard Surface.
- Control Building Surface.
- Compensation Platform Surface.
- Surface Available for Future Development.
- Streets and Roads.

viii. Simplified unilinear diagram showing the primary equipment components and the way they interact with installations, considering possible solutions, from both the operational and physical perspectives.

ix. Specific schemes and description of the following project systems:

- Control.
- Protections.
- Communication.
- Safety.

3. Static Reactive Compensation Information:

i. Inductive and Capacitive Reactive Compensation Capacity.

ii. Number of Steps.

iii. Control, Protection and Measurement System.

iv. Blueprint of installation locations, showing the feasibility of specific solutions, in relation to existing installations

v. Simplified unilinear diagram showing the primary equipment components and the way they interact with installations, considering possible solutions, from both the operational and physical perspectives.

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The DP shall evaluate the consistency and merits of the information submitted, particularly in terms of fulfillment of the provisions of the Expansion Plan Decree, and shall determine whether or not it is acceptable. It shall eliminate all disqualified Bids from the corresponding Tendering Process.

In the case of line projects, the line capacity must at least match the capacity indicated in the Expansion Plan Decree, without considering the serial compensation, which may in no case be inferior. Otherwise, the DP shall disqualify the corresponding Bid. For this purpose, the DP must evaluate if, using the information requested in a), b), c) and d) of number 8.3.3, such as, for example, the type and number of conductors per phase, description of the types of structures, among others, the corresponding Bid may satisfy the minimum capacity established in the Expansion Plan Decree.

A calculation log that proves that the electrical parameters resulting from the projected line produce a balanced power transmission distribution between each New Line and the existing parallel lines. This should apply for the cases of the following New transmission projects: “New Charrúa-Ancoa 2x500 Line: installation of first circuit,” “New 2x220 Ciruelos-Pichirropulli Line: installation of first circuit” and “New Cardones–Diego de Almagro 2x220 kV Line.”

The capacities of the reactors and serial compensations for the “New Line 2x500 Charrúa-Ancoa Line: installation of the first circuit,” as well as its control systems, must allow for operations symmetrical and compatible with the existing 500 kV Charrúa-Ancoa line and expansion works Nos. 9 and 10 of D.S. No. 282 from September 10, 2007 (1x500 kV Ancoa-Polpaico Line: sectioning and 2 x 500 kV Alto Jahuel Entry Line). The serial compensation must be able to compensate around 50% of the line series reactance. The definitive value of this compensation must be determined by the Winning Bidder through its own studies, such that a balanced operation with the other parallel lines may be achieved.

- b) All other aspects indicated in number 8.3.3 of the present Bidding Conditions shall be evaluated as follows:
- i. Description of the data transmission system.
 - ii. General description of the protection system against vibrations.
 - iii. General description of the protection against atmospheric discharges.
 - iv. General description of the ground mesh.
 - v. Description of the project’s Facilities for the Automatic Control of reactors and serial compensation.

The technical consistency of each of these aspects with the aforementioned indications shall be evaluated, qualifying them with a score ranging from one to seven. No Bidder may have an average score below 5.0 in these five aspects.

For the aspects:

- vi. Description of the types of structures.

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vii. Description of the insulation set.

viii. Description of the type of reactor units and backup units (triple-phase of single-phase).

The validity, quality certification and experience in the implementation of similar projects shall be evaluated with scores ranging from one to seven. No Bidder may have an average score below 5.0 in these three aspects.

- c) In order to evaluate the factors described in letter c) of number 8.3.3 of the present Bidding Conditions, their technical consistency shall be considered, qualifying them with a score ranging from one to seven. No Bidder may have an average score below 5.0 in this aspect.

In the evaluation of all aspects of document 16, fulfillment of the provisions of point d) of number 8.3.3, "Minimum requisites to consider in project Information," shall be verified.

ANNEX 10 LIST OF BANKS AND FINANCIAL INSTITUTIONS FOR GUARANTEES

Guarantees must be issued by one of the institutions under the supervision of the Superintendancy of Banks and Financial institutions (SBIF).

Bidders may verify if their institution meets this condition on the SBIF website:

<http://www.sbif.cl/sbifweb/servlet/ConozcaSBIF?indice=7.5.1.1&idContenido=483>

ANNEX 11 EVALUATION OF THE RISK CLASSIFICATION

Table 16: Evaluation of Risk Classification

Risk Classification	Score	
	International	Local
AAA	7.0	7.0
AA+	6.9	6.6
AA	6.8	6.4
AA-	6.6	6.2
A+	6.4	6.0
A	6.2	5.8
A-	6.0	5.6
BBB+	5.8	5.4
BBB	5.6	5.2
BBB-	5.4	5.0
BB+	5.2	4.8
BB	5.0	4.6
BB-	4.5	4.0
B+	4.0	3.5
B	3.5	3.0
B-	3.0	2.5
C or less	1.0	1.0

For the purposes of establishing risk classification, if the Bidder is a Consortium, the evaluation shall consider the lowest risk classification among all companies that are part of the Consortium.

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