

PRELIMINARY MATRIX OF PROJECT RISKS ALLOCATION

Risk category	Description	Consequences	Elimination
<u>Risk location</u>			
Existing structure (modernization)	The existing structures are inadequate in order to adapt the development	Increase in costs and increase in time necessary to complete the project	The Concessionaire shall transfer the risk to the constructor, who can rely on technical expertise reports in the project phase
Location conditions	Unforeseeably difficult soil conditions	Increase in costs and time necessary to complete the project	The Concessionaire transfers the risk to the constructor, who can rely on technical expertise reports in the project phase
Approvals	All the necessary approvals cannot be obtained or they can be obtained subject to unforeseen mandatory conditions	Delays in the project commencement or completion and increase in costs related to its achievement	Before the project commencement, the Grantor shall perform a detailed verification of the necessary approvals
Cleaning and practicability	The preparing of the land results in a much greater cost than that envisaged and needs a much longer period of time than provided for under the contract	Increase in costs and time necessary to complete the project	The Concessionaire must be capable to use and mobilize its resources to cover the costs of cleaning and practicability of the land
Property deed	Increase in costs and time necessary for the purchase of land from the owners and/or for granting the right to use the respective land.	Increase in costs and time necessary to complete the project	The grantor shall verify the land registries and shall take the necessary steps to reserve the lands necessary for the project.
Cultural heritage	Increase in costs and necessary time as a result of discovering some archaeological sites and/or national patrimony	Increase in costs and time necessary to complete the project	The Grantor may hire experts in view of investigating and establishing measures to minimize costs and avoid delays
Environment (1)	The locations for the project show an unknown contamination degree	Increase in costs and time necessary to complete the project	The Grantor is liable for the activities conducted on its lands and controls the process of monitoring the pollution and penalising the polluter
Environment (2)	During the implementation of the project, contaminations of adjacent properties occur, having effect on the properties made available for the project	Decontamination costs	The Concessionaire is bound to take all the necessary steps to avoid such events. Hiring of experts in view of investigating and establishing steps to minimize costs and avoid delays
Availability of the location	The access to a certain location cannot be negotiated with its owner	Delay in implementation and increase in costs	The Concessionaire has the obligation to take all necessary steps to provide the access to the locations made available for the project
<i>Design, construction and reception of the project works</i>			
Design	The project of the facility does not allow to carry out works at the envisaged cost	Increase in supplementary costs in the long run or impossibility to ensure works in the long run	The Grantor has the right to reduce payments within the project or to reduce the right of the Concessionaire to direct collections

Construction	The occurrence, during construction, of an event leading to the impossibility of its completion within the time limit envisaged and at the estimated cost	Delay in implementation and increase in costs	The Concessionaire shall transfer the risks to the constructor who must have the resources and the technical capacity to comply with the execution terms
Reception of the investment	The risk is both physical and operational and refers to a delay in carrying out the reception of the investment	Consequences for both partners. For the Concessionaire and its financiers -accrued income and loss of profit. For the Grantor – the delay in supplying the requested services	The Grantor will not make any payment until the reception of the investment and the beginning of the requested works
<u>Financer and financing</u>			
Interest rates during the investment	The applicable interest rates are subject to change, thus modifying the financial terms of the offer	Increase/decrease in project costs.	Provisions relating to this risk may be included in the concession contract
Incapable financer	The concessionaire becomes insolvent or carrying out of works requires a greater financing than estimated by the Concessionaire	Failure to carry out the works requested by the Grantor and losses for participants in the investment	A fair and in-depth analysis of financial resources presented in the offer submitted by the prospective Concessionaire (obligations of the financer). The guarantee by the Concessionaire for achieving the investment (Bank guarantee of good execution)
Unavailable financing	The Concessionaire is not able to ensure financial and capital resources in due time and in sufficient amounts	Lack of financing for continuation or completion of investment	The Grantor will analyse very carefully the financial obligations of the Concessionaire and the correlation with the investment schedule
Tax changes	During the project, the general tax arrangement shall change against the Concessionaire	Negative impact on financial revenues of the Concessionaire	The revenues of the Concessionaire must be sufficient as to cover the unfavourable differences, up to an amount provided for in the contract by the parties. Any difference greater than this amount will be charged to the Grantor, from legal reserves settled for this purpose
Supplementary financing	Due to changes in legislation, politics or of a different nature, supplementary financing is necessary for reconstruction, modification, re-equipment etc	The Concessionaire cannot financially bear the costs of changes	The Concessionaire may partially cover the refinancing, according to the resources available. The part which remains uncovered is borne by the Grantor.
Refinancing profits	The completion of the investment shall be made at a cost which is smaller than the initial one	Profitable change in the financing of the project	The Grantor must ensure that the Concessionaire cannot exclusively benefit from this favourable risk
<u>Operation</u>			
Input resources	The necessary resources for operation incur a greater cost than the initial estimates, are not of an appropriate quality or are not available in sufficient quantities	Increases in costs, and, in some cases, negative effects on the works carried out.	The Concessionaire may manage the risk by means of long term supplying contracts, with specific terms as regards quality assurance of the supplies
Maintenance and repair	The quality of design and/or	Increase in cost, with	The Concessionaire may manage the risk

	of works is not appropriate, resulting in unforeseen increase of maintenance and repair costs	negative effects on the up to the moment undertaken actions	by means of long term contracts qualified appropriate operators that have sufficient material capacities and resources
Change in the requirements of the Grantor, beyond the limits provided for in the contract	The Grantor shall change its requirements after signing the contract	The change of requirements during the investment leads to the modification of the project and , after reception, to the increase in capital costs	The Grantor must define as precisely as possible its requirements, as early as the project preparing phase
Operation	The Concessionaire is not financially appropriate or cannot carry out the works according to the contract	Impossibility to carry out the works.	The Grantor must examine in detail, as early as the offer phase, the capacity of the prospective Concessionaire to execute the contract successfully
Obsolete or inappropriate technical solutions	The proposed technical solutions are not technologically appropriate as to ensure the achievement of the project	The revenue of the Concessionaire decreases below the data of financial closing of the project resulting in losses. The Grantor does not receive the requested actions (works/services)	In the offer phase, the prospective Concessionaire may propose contractual terms providing for the establishment of reserve resources in view of covering possible technological developments
<u>Market</u>			
Worsening of general economic conditions	Occurrence of fundamental and unexpected changes in the general economic conditions that lead to the decrease of demand for the contracted supplies	Revenues below prior financial predictions	In the tendering stage, the prospective Concessionaire may propose contractual terms that ensure conditions for covering the risk
Competitive changes	Another investment, already existing, is extended, improved or re-priced, so that competition as regards the actions (works/services) supplied according to the contract increases	Revenues below prior financial predictions, due to a reduction in prices and/or decreasing demand, as a result of competition	The Concessionaire will try to redress financially against changes that affect the project in a discriminatory manner, determined by the competition of the Grantor. The Grantor must refrain from measures that affect the project in a discriminatory manner
Competition	Emergence on the market of competitors in the field of carried out actions by the Concessionaire, according to the contract	Revenues below prior financial predictions due to a reduction in prices and/or decreasing demand, as a result of competition	The Concessionaire must examine carefully the market conditions. The Grantor must refrain from measures that affect the market
Demographic changes	A demographic or socio-economic change affects the demand for the contracted line of actions	Revenues below prior financial predictions	The Concessionaire has the obligation to provide, in its calculations, for possible changes in revenues
Inflation	The value of payments in time is diminished by inflation	Decrease, in real terms, of project revenues	The Concessionaire may propose an appropriate mechanism to compensate for the inflation, by means of adjustment of prices. The Grantor must avoid for the Concessionaire to benefit from overcompensations or double payments
<u>Legal and policy risk of the Grantor</u>			
Legislation	The existence of a statutory framework of legal rules that will impair the Concessionaire	Effect on costs and revenues	The Concessionaire shall asses the legal system and take the necessary measures

Legislative/political changes (1)	Legislative change or change in the politics of the Grantor that cannot be foreseen when signing the contract and which is addressed directly, specifically and exclusively to the project, leading to supplementary capital or operational costs for the Concessionaire	An important increase in operational costs of the Concessionaire and/or the necessity to incur capital expenses in order to be able to respond to these changes	The Grantor may reduce the liability for such changes by monitoring and limiting the changes that may have such consequences on the project. The Concessionaire will perform the changes in such a way to minimize the financial effect on the Grantor
Legislative/political changes (2)	Legislative change or change in the policy of the Grantor that cannot be foreseen when signing the contract and that is general in its application (not specific to the project), leading to supplementary capital or operational costs for the Concessionaire	An important increase in operational costs of the Concessionaire and/or the necessity to incur capital expenses in order to be able to respond to these changes	The Grantor may reduce the risks by excluding changes, such as those related to taxes or those for which the Concessionaire is compensated based on an adjustment, with the consumer price index and only based on a „significant amount”, previously agreed
Withdrawal of complementary support	The Grantor shall withdraw its complementary support, the project being negatively affected	Consequences on revenues	The Concessionaire will try to redress the project financially, after changes that affect the project in a discriminatory manner, especially in the case of projects when the third user pays
<u>Project assets</u>			
Technical depreciation	Technical depreciation is greater than foreseen	Increase in new technology costs	The Concessionaire may take the appropriate measures to avoid such a situation
<u>Force majeure</u>			
<i>Force majeure</i>	<i>Force majeure</i> , as defined by law, prevents the execution of the contract	Loss or damage of project assets and the loss/decrease of the possibility to obtain the expected revenues	The Concessionaire may take measures for the insurance of project assets and shall pursue their repair or replacement in the shortest time possible
<u>Project profitability</u>			
The project proves to be more profitable than the initial predictions	The balance between revenues and expenses differs significantly from the predictions	Over profits for the Concessionaire	The Grantor must include mechanisms for a fair allocation of profits obtained over the limit taken into consideration when establishing financial predictions

MODELS
Of Contract Notices published in the
Official Gazette of Romania
in accordance with the provisions of art. 20 paragraph (2) and 26 paragraph (2)

Contract Notice for the open tender procedure

1. Designation, address, telephone and fax number, e-mail of the Grantor
2. Designation, address, telephone and fax number and e-mail of the office where the tender documentation can be requested. If applicable, cost and payment terms for obtaining the tender documentation.
3.
 - (a) Place of work completion/service performance
 - (b) Object of the concession; nature and dimension of works/service performance
 - (c) Finalization term or contract duration
4.
 - (a) Tender submission term
 - (b) Address where Tenders must be sent
 - (c) Language or languages in which Tenders must be drafted
 - (d) Date, time and place of opening tender
5. Personal, technical and financial terms which the Tenderers must fulfil
6. Criteria used for the contract award
7. The minimum percentage of the works which must be granted to third parties, as applicable.
8. Date of sending the contract notice for publication.
9. Designation and address of the competent body for the solving complaints and, as applicable, of mediation. Accurate information regarding the deadlines for the submission of complaints and as applicable, the designation, address, telephone number, fax number and e-mail address of the office where this information can be obtained from.

Contract Notice for the restricted tender procedure

1. Designation, address, telephone and fax number, e-mail of the Grantor
2. Designation, address, telephone and fax number and e-mail of the office where the tender documentation can be requested. If applicable, cost and payment terms for obtaining the tender documentation.
3.
 - (a) Place of work completion/service performance
 - (b) Object of the concession; nature and dimension of works/service performance
 - (c) Finalization term or contract duration;
4.
 - (a) Tender submission term;
 - (b) Address where Tenders must be sent;
 - (c) Language or languages in which Tenders must be drafted;
5. Personal, technical and financial terms which the Tenderers must fulfil.
6. Minimum number and, as applicable, maximum number of candidates which intend to be selected and the selection criteria which will be used.
7. Criteria used for contract award.
8. The minimum percentage of the works which must be granted to third parties, as applicable.
9. Date of sending the contract notice for publication.
10. Designation and address of the competent body for the solving complaints and, as applicable, of mediation. Accurate information regarding the deadlines for the submission of complaints and as applicable, the designation, address, telephone number, fax number and e-mail address of the office where this information can be obtained from.

Contract Notice for the competitive dialogue

1. Designation, address, telephone and fax number, e-mail of the Grantor
2. Designation, address, telephone and fax number and e-mail of the office where the tender documentation can be requested. If applicable, cost and payment terms for obtaining the tender documentation.
3. (a) Place of work completion/service performance;
(b) Object of the concession; nature and dimension of works/service performance;
(c) Finalization term or contract duration;
4. (a) Tender submission term;
(b) Address where Tenders must be sent;
(c) Language or languages in which Tenders must be drafted;
5. Personal, technical and financial terms which the Tenderers must fulfil.
6. Minimum number and, as applicable, maximum number of candidates which intend to be selected and the selection criteria which will be used.
7. If applicable, to specify the conducting of the dialogue in successive rounds/stages, to reduce the number of solutions that is to be discussed.
8. Criteria used for contract award.
9. The minimum percentage of the works which must be granted to third parties, as applicable.
10. Date of sending the contract notice for publication.
11. Designation and address of the competent body for the solving complaints and, as applicable, of mediation. Accurate information regarding the deadlines for the submission of complaints and as applicable, the designation, address, telephone number, fax number and e-mail address of the office where this information can be obtained from.

Contract Notice for negotiation

1. Designation, address, telephone and fax number, e-mail of the Grantor
2. Designation, address, telephone and fax number and e-mail of the office where the tender documentation can be requested. If applicable, cost and payment terms for obtaining the tender documentation.
3. (a) Place of work completion/service performance;
(b) Object of the concession; nature and dimension of works/service performance;
(c) Finalization term or contract duration;
4. (a) Tender submission term;
(b) Address where Tenders must be sent;
(c) Language or languages in which Tenders must be drafted;
5. Personal, technical and financial terms which the Tenderers must fulfil.
6. Minimum number and, as applicable, maximum number of candidates which intend to be selected and the selection criteria which will be used.
7. If applicable, to specify the conducting of the dialogue in successive rounds/stages, to reduce the number of solutions that is to be discussed.
8. Criteria used for contract award.
9. The minimum percentage of the works which must be granted to third parties, as applicable.
10. Date of sending the contract notice for publication.
11. Designation and address of the competent body for the solving complaints and, as applicable, of mediation. Accurate information regarding the deadlines for the submission of complaints and as applicable, the designation, address, telephone number, fax number and e-mail address of the office where this information can be obtained from.

**Report regarding the public works and services concession contracts
awarded in the year.....**

CONTRACTING AUTHORITY

ADDRESS:

Sole registration code:

Registration no. at the Trade Register:

Tel/fax :

E-mail :

Type of contracts	Total no. of contracts
<i>Public works concession contracts</i> Out of which awarded by: - competitive dialogue ; - restricted tender; - open tender - negotiation with prior publication of a contract notice	
<i>Services concession contracts</i> Out of which awarded by: - competitive dialogue - restricted tender; - open tender - negotiation with prior publication of a contract notice	
TOTAL	

Authorized signature

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