

TENDER DOCUMENTATION

Concession on maritime demesne for the purpose of economic utilisation of two beaches and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone in Skradin cadastral municipal

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DEFINITIONS

<p>Concession grantor</p>	<p>Government of the Republic of Croatia, Trg sv. Marka 2, Zagreb</p>
<p>Tender Documentation</p>	<p>The documentation has been drawn up by the Grantor of the Concession on maritime demesne for the purpose of economic utilisation of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone in Skradin cadastral municipality</p>
<p>Expert Body for the Evaluation of Bids for Concessions on Maritime Demesne</p>	<p>The Expert Body for the Evaluation of Bids for Concessions on Maritime Demesne was founded and appointed by the Decision of the Government of the Republic of Croatia (Official Gazette number 44/16 and 95/19) for the purpose of assessing bids and providing Findings and Opinions and a ranked list of bids</p>
<p>Committee for the Evaluation of Bids</p>	<p>The Committee for Evaluation of Bids by the Government of the Republic of Croatia will within a period of 60 days of the public opening of bids determine a ranked list of bidders, and recommend to the Government of the Republic of Croatia to adopt the Decision on Selecting the Most Economically Advantageous Bidder</p>

<p>Physical development documentation</p>	<p>The Šibenik-Knin County Physical Plan (Šibenik-Knin County Official Herald nos. 11/02, 10/05, 3/06, 5/08, 9/12 – final draft, 4/13, 8/1.3, 2/14 and 4/17) and the Skradin Town Physical Development Plan (Šibenik-Knin County Official Herald nos. 6/01, 6/08, 13/15, 14/18) for the area of Skradin Town.</p>
<p>Concession Agreement</p>	<p>The Concession Grantor intends to concluded the Agreement on Concession for Maritime Demesne for the Purpose of Economic Utilisation of Two Beaches as well as Construction and Economic Utilisation of the Special Purpose port – Nautical Tourism Port – Berths within the Prukljan Tourism Zone in Skradin Cadastral Municipality with the selected bidder after conducting the public procedure for collection of bids.</p>

1. GENERAL INFORMATION

1.1. INFORMATION ON THE CONCESSION GRANTOR

GOVERNMENT OF THE REPUBLIC OF CROATIA

Trg svetoga Marka 2

10000 Zagreb

Republic of Croatia

1.2. BODY CONDUCTING THE PROCEDURE

MINISTRY OF MARITIME AFFAIRS, TRANSPORT AND INFRASTRUCTURE

Prisavlje 14

10 000 Zagreb

OIB/TIN: 22874515170

Website: <http://www.mmpi.hr/>

MINISTRY OF STATE ASSETS

Dežmanova 10

10 000 Zagreb

OIB/TIN: 95555881478

Website: <https://imovina.gov.hr/>

1.3. INSTITUTION ASSIGNED FOR CONTACT

MINISTRY OF STATE ASSETS

E-mail: projekt.prukljan@midim.hr

1.4. ESTIMATED VALUE OF THE CONCESSION

HRK 179,261,114.04

1.5. TYPE OF CONCESSION

Concession for Maritime Demesne for the Purpose of Economic Utilisation of Two Beaches as well as Construction and Economic Utilisation of the Special Purpose port – Nautical Tourism Port – Berths within the Prukljan Tourism Zone in Skradin Cadastral Municipality.

2. INFORMATION ON THE SUBJECT OF CONCESSION

The concession for maritime demesne is granted for the purpose of economic utilisation of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the coverage of the Prukljan hospitality-tourism zone, in Skradin c.m.

The area of maritime demesne for which a concession is granted for the purpose of economic utilisation of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the coverage of the Prukljan hospitality-tourism zone, includes the following land plots:

1. Beach 1 covers part of cadastral plot number (c.p.n.) 3216/5 Skradin cadastral municipality (Skradin c.m.) and part of the marine waters, and is defined a polygon of break points and their coordinates are expressed in metres, in the official coordinate system of the Republic of Croatia (HTRS96/TM):

Point number	E	N
1	450083.85	4853916.11
2	450091.61	4853922.03
3	450088.25	4853924.95
4	450079.63	4853936.88
5	450068.23	4853947.34
6	450059.91	4853958.53
7	450036.79	4853977.81
8	450007.15	4854005.24
9	449985.04	4854024.59
10	449973.36	4854036.70
11	449965.54	4854023.97
12	449896.28	4853953.40
13	450040.81	4853836.64
1	450083.85	4853916.11

2. Beach 2 covers part of cadastral plot number (c.p.n.) 3216/5 Skradin cadastral municipality (Skradin c.m.) and part of the marine waters; and is defined a polygon of break points and their coordinates are expressed in metres, in the official coordinate system of the Republic of Croatia (HTRS96/TM):

Point number	E	N
10	449973.36	4854036.70
14	449953.21	4854057.60
15	449927.82	4854078.62
16	449885.45	4854116.49
17	449872.59	4854129.98

18	449848.71	4854149.45
19	449823.79	4854160.79
20	449806.57	4854172.94
21	449795.13	4854181.29
22	449791.79	4854177.62
23	449723.35	4854102.60
12	449896.28	4853953.40
11	449965.54	4854023.97
10	449973.36	4854036.70

3. Special purpose port – nautical tourism port – berth covers part of cadastral plot number (c.p.n.) 3216/5 Skradin cadastral municipality (Skradin c.m.) and part of the marine waters, and is defined a polygon of break points and their coordinates are expressed in metres, in the official coordinate system of the Republic of Croatia (HTRS96/TM):

Point number	E	N
1	450162.46	4853785.70
2	450137.80	4853829.51
3	450133.09	4853827.68
4	450041.17	4853785.73
5	450077.33	4853720.73
6	450158.44	4853782.63

The area of maritime demesne for which a concession is granted (land and marine waters) in total amounts to 51,376 m², where the areas of Beach 1 amounts to 18,372 m², Beach 2 amounts to 26,392 m², the area of the special purpose port – nautical tourism port – berth is 6,612 m², all as is shown in the graphical survey, comprising Appendix 1 of these Notices and is published in the Electronic Public Procurement Classifieds of the Republic of Croatia.

The final area of maritime demesne which is given into concession will be defined in the concession agreement.

2.1. DESCRIPTION OF THE SUBJECT OF CONCESSION

Concession for Maritime Demesne for the Purpose of Economic Utilisation of Two Beaches as well as Construction and Economic Utilisation of the Special Purpose port – Nautical Tourism Port – Berths within the Prukljan Tourism Zone in Skradin Cadastral Municipality

2.2. PERIOD FOR WHICH THE CONCESSION IS GRANTED

The concession is granted for a period of 50 years, counting from the day of concluding the concession agreement.

2.3. TECHNICAL SPECIFICATIONS

2.3.1. DESCRIPTION OF THE AREA

Appendix 1 of this tender documentation contains the graphical presentation of the maritime demesne which is given into concession.

2.3.2. TECHNICAL CONDITIONS AND ELEMENTS RELATING TO THE PROJECT IN THE RESPECTIVE AREA

The location conditions are defined in the Šibenik-Knin County Physical Plan (Šibenik-Knin County Official Herald nos. 11/02, 10/05, 3/06, 5/08, 9/12 – final draft, 4/13, 8/1.3, 2/14 and 4/17) and Skradin Town Physical Development Plan (Šibenik-Knin County Official Herald nos. 6/01, 6/08, 13/15, 14/18).

2.3.3. EQUIPPING AND MAINTENANCE OF FACILITIES WHICH ARE THE SUBJECT OF THE CONCESSION

The concessionaire is authorised for the concession maritime demesne to undertake works in the area necessary for the conducting of the economic activity in accordance with the valid physical planning documentation along with obtaining all the necessary permits in accordance with provisions which regulate physical development and construction and based on the economic feasibility study.

Any construction on the maritime demesne requires that the authorised concessionaire obtains consent from the Concession Grantor, as well as all permits in accordance with provisions which regulate physical development and construction.

2.4. WORKS AND SERVICES WHICH ARE THE SUBJECT OF THE CONCESSION

Presented in detail in the Mandatory content of the economic feasibility study, which comprises Appendix 2 of this documentation.

3. REASONS FOR EXCLUDING A BIDDER

Reasons for the exclusion of a bidder are if a bid does not contain the entire documentation as stipulated in the Notice of the Intention to Grant a Concession and in this documentation, and if the bidder does not fulfil all conditions as stipulated in the Notice of the Intention to Grant a Concession, this documentation, Article 17, Paragraph 3 of the Maritime Demesne and Ports Act (Official Gazette, no. 158/03, 100/04, 38/09, 123/11, 56/16 and

98/19), and if there are reasons for excluding an economic entity from the concession granting procedure as stipulated in Article 24 of the Concessions Act (Official Gazette, no. 69/17).

The bid for purchasing land plots for the purpose of constructing the Prukljan hospitality-tourism zone, the bid for establishing construction rights for the purpose of constructing Prukljan Golf Course, the bid for purchasing land plots for the purpose of constructing tourist accommodation facilities (tourist villas) within the Rgt zone and the bid for the granting of the concession on maritime demesne for the purpose of economic utilisation of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth are inseparable and bids for only one of the intended uses will not be taking into consideration.

4. PROCEDURE FOR THE PUBLIC GATHERING OF BIDS

A concession for the economic use of maritime demesne as described in Point 2.1 of this Tender Documentation is granted on the basis of a conducted procedure for the public gathering of bids, Article 17 Paragraph 1, Article 20 Paragraph 7 and Article 80 Paragraph 4 Point 2 of the Maritime Demesne and Sea Ports Act, and with respect to Article 31, Paragraphs 1 and 2 of the Concessions Act, all based on the Public Call for submission of bids for purchasing land plots in the ownership of the Republic of Croatia located in Skradin cadastral municipality, bids for establishing construction rights on land plots in the ownership of the Republic of Croatia located in Skradin cadastral municipality and bids for the granting of a concession on maritime demesne located in Skradin cadastral municipality with the aim of carrying out construction of the Prukljan Project by developing the Prukljan hospitality-tourism zone containing two beaches and a special purpose port – nautical tourism port – berth as well as construction of the Prukljan golf course along with tourist accommodation facilities (tourist villas) at Skradin Town in Šibenik-Knin County

4.1. PROCEDURE FOR THE PUBLIC GATHERING OF BIDS

1. The Committee for the Evaluation of Bids will publicly open bids on 1 July 2020 at 12.00 pm on the premises of the Ministry of State Property, Dežmanova 10, 10000 Zagreb, Croatia.
2. The most economically advantageous bidder is deemed to be the bidder whose bid achieves the highest sum of coefficients for criteria scored in the manner referred to in Point VI. Criteria for Selecting the Most Economically Advantageous Bidder in the Public Call for submission of

bids for purchasing land plots in the ownership of the Republic of Croatia located in Skradin cadastral municipality, bids for establishing construction rights on land plots in the ownership of the Republic of Croatia located in Skradin cadastral municipality and bids for the granting of a concession on maritime demesne located in Skradin cadastral municipality with the aim of carrying out construction of the Pukljan Project by developing the Pukljan hospitality-tourism zone containing two beaches and a special purpose port – nautical tourism port – berth as well as construction of the Pukljan golf course along with tourist accommodation facilities (tourist villas) at Skradin Town in Šibenik-Knin County

3. In the event of two or more bidders with an identical sum of coefficients for criteria in selecting the most economically advantageous bid, advantage is given to the bidder who offers the highest purchase price, and the Bid Assessment Committee will within a period of no later than 60 days of the date of opening the bids, determine a ranked list of bidders and propose to the Croatian Government that it pass the Decision on Selection of the Most Economically Advantageous Bidder.
4. Based on the Croatian Government's Decision on Selection of the Most Economically Advantageous Bidder and the bid of the selected bidder for development of the Pukljan Project, an agreement on development of the Pukljan Project will be signed by the Republic of Croatia and the selected bidder. The mentioned agreement will impose the obligation on the contracting parties to conclude the sales agreement, agreement on establishing construction rights and concession agreement.
5. If the most economically advantageous bidder withdraws from his bid or refuses to heed the call to conclude the Agreement on Development of the Pukljan Project within the defined deadline, that bidder forfeits the right to receiving back the bank guarantee submitted as a bid guarantee, and the Ministry of State Assets is then authorised to collect payment from the guarantee
6. If the most economically advantageous bidder withdraws from his bid or refuses to heed the call to conclude the Agreement on Development of the Pukljan Project within the defined deadline, it shall be deemed that the next in line bidder from the list of ranked bidders is the most economically advantageous bidder if that next bidder accepts to pay the purchase prices and fees offered by the most economically advantageous bidder who withdrew, and so on down the list of ranked bidders.
7. The Committee for Evaluation of Bids may send a recommendation to the Croatian Government that none of the received bids be selected and

that the implemented procedure be cancelled accompanied by an explanation of such a recommendation

8. The bidder whose bid is not selected as the most economically advantageous will receive back documentation accompanying the bid within a period of 30 days from the day of making the decision on the most economically advantageous bidder

5. CONDITIONS FOR THE BIDDER'S ELIGIBILITY

5.1. MINIMAL CONDITIONS FOR THE BIDDER'S ELIGIBILITY

The procedure for granting a concession as described in Point 2.1 of this Tender Documentation requires that bidders provide proof of their eligibility by submitting the following documentation/information along with their bid:

- 1) an excerpt from the court register of the commercial court or excerpt from the business ("obrt") register with the registered business activity for which the concession is being sought, not older than 30 days

For a consortium of bidders, the excerpt from the court registry of the commercial court or excerpt from the crafts and trade business ("obrt") registry is submitted for each member of the consortium, where at least the leading member of the consortium must have the business activity registered for which a concession is sought.

- 2) the appropriate certificate proving that no bankruptcy or prebankruptcy proceedings have been initiated, that the entity is not currently in liquidation proceedings, and that there are no proceedings for cessation of business activities,
- 3) information on creditworthiness (BON 1), except for crafts and trade businesses ("obrt") which are income tax obligors and newly incorporated companies and crafts and trade businesses ("obrt")
- 4) information on solvency (BON 2 – for the bidder's main account) and a certificate from the relevant Tax Administration on paid due liabilities for public contributions, not older than 30 days

The bidder is considered ineligible if he has unsettled due obligations based on public contributions and if the BON 2 form or other appropriate document indicates that the main account has been continually blocked for a period of more than 15 days in the last six months.

For a consortium of bidders, information and the certificate are submitted for each consortium member.

- 5) declaration that the bidder has fulfilled obligations from other concessions, if they exist or existed;

Evidence of the stated condition is given in the form of declaration from the person authorised for representing the bidder on the form comprising Appendix 4 of this Tender Documentation.

For a consortium of bidders, the declaration is submitted for each consortium member.

- 6) declaration as to whether the bidder has had a concession rescinded in accordance with Article 30 of the Maritime Demesne and Sea Ports Act;

Evidence of the stated condition is given in the form of declaration from the person authorised for representing the bidder on the form in Appendix 5 of this Tender Documentation.

For a consortium of bidders, the declaration is submitted for each consortium member.

- 7) a declaration from the bidder or person authorised for representation that no final and legally binding conviction exists against these persons for one or more crimes in the area of economic crime

Evidence of the stated condition is given in the form of declaration from the person authorised for representing the bidder on the form in Appendix 6 of this Tender Documentation.

For a consortium of bidders, the declaration is submitted for each consortium member.

- 8) a declaration that for bidder or persons authorised for representation there are no reasons for exclusion from the procedure for the granting of a concession as stipulated in Article 24 of the Concessions Act;

Evidence of the stated condition is given in the form of a declaration from the person authorised for representing the bidder on the form in Appendix 7 of this Tender Documentation.

For a consortium of bidders, the declaration is submitted for each consortium member.

5.2. OTHER MANDATORY DOCUMENTATION

Besides evidence of their eligibility, bidders are also obliged to submit the following documentation:

- 1) The offered amount for the fixed and percentage of the variable part of the

concession fee, where

- the starting amount for the fixed part of the concession fee for the beach amounts to HRK 3.00 per square meter of occupied maritime demesne, and HRK 5.00 per square meter of occupied maritime demesne for berths, where the fixed part of the concession fee increases every five years by HRK 0.50 per square meter of occupied maritime demesne,
- the starting amount of the variable part of the concession fees for the beaches amounts to 2% of revenue achieved on the concession area, and for berths 2% of revenue achieved on the concession area, given that the variable part of the concession fee is increased every 5 years by 0.50% of revenue achieved on the concession area.

The fixed part of the concession fee will be adjusted every three years on the 1 January of the fourth year and applied from 1 January of the same year. The fee will be adjusted according to the formula:

$$K = \left[\left(1 + \frac{P_1}{100} \right) \times \left(1 + \frac{P_2}{100} \right) \times \left(1 + \frac{P_3}{100} \right) \right]$$

K = factor for adjusting the fixed and variable part of the concession fee for each three-year period which follows after concluding the concession agreement

p1 = inflation rate in the first year of the three-year period

p2 = inflation rate in the second year of the three-year period

p3 = inflation rate in the third year of the three-year period

Regardless of adjusting the price related to inflationary trends, and in event that for the duration of the concession agreement the middle rate for kuna and euro at the Croatian National Bank changes by +/-3%, the fixed part of the concession fee will also change in accordance with changes in the exchange rate.

- 2) The economic feasibility study which is drawn up according to the content and form as stated in Appendix 2 of this documentation for the public gathering of bids; the total value of the investment which is planned in the economic feasibility study is deemed to be the investments in fixed assets

- 3) as a bid guarantee, an irrevocable and unconditional bank guarantee payable at first call in the amount of HRK 20,000,000.00 issued by a bank which in the year prior to the issuing of this Public Call, had a credit rating of at least BBB based on Standard and Poor's Bank Rating Guide or from a bank operating in the Republic of Croatia and which based on audited financial statements of 31 December 2019 has indicated a total value of assets exceeding 10,000,000,000.00 kuna, with a validity period of three months longer than the deadline defined as the final deadline for concluding the agreement on establishment of construction rights, concession agreement and agreement on the sale of land plots for construction of tourist villas, but not exceeding two (2) years (with the condition that the original is submitted with one of the bids, and copies thereof with the other three bids),
- 4) a letter of intent from a commercial bank which fulfils the conditions referred to in Subparagraph 3 of this Paragraph where in favour of the Republic of Croatia, it will issue an irrevocable, unconditional bank guarantee payable upon first call in the amount of HRK 100,000,000.00 to guarantee realisation of the project for constructing the Prukljan Project (where the original is submitted with one of the bids, and copies thereof with the other three bids)
- 5) Information on the ownership structure of the bidder.

Evidence of the stated condition is given in the form of declaration from the person authorised for representing the bidder on the form comprising Appendix 8 of this Tender Documentation (for a consortium of bidders, the declaration is submitted for each consortium member).

6. THE CONTENT, MANNER OF PREPARING AND SUBMISSION OF THE BID

6.1. CONTENT OF THE BID

The bid is submitted in accordance with the instructions contained in Point 5 of this documentation.

The bid is submitted in written form and in electronic form (CD, DVD, USB stick and the like), and in the event of contradictions between the written and electronic bids, the relevant bid is the bid in written form.

The bid, together with the associated documentation, is written in indelible ink, in the Croatian language and Latin script.

The bid must completely conform to the Notice on the Intention of Granting a Concession and this documentation.

The bid must contain:

- 1) The content of the bid (a list of the integral parts and/or appendices to the bid).
- 2) Completed summary list signed by the person authorised to represent the bidder based on the form which is contained in Appendix 3 of this Tender Documentation.
- 3) Documents requested in Point 5.1 of this documentation;
- 4) Documents requested in Point 5.2 of this documentation;
- 5) Other certificates and declarations requested in this documentation;
- 6) A declaration by the bidder on acceptance of the conditions in this Tender Documentation signed by the person authorised to represent the bidder based on the form which is contained in Appendix 9 of this Tender Documentation.

6.2. CURRENCY IN THE BID

All amounts stated in the bid must be expressed in Croatian kuna (HRK), whereby the bid amount of the total investment based on the economic feasibility study must be expressed in kuna excluding VAT.

6.3. MANNER OF PREPARING A BID

The bid is prepared in such a manner that it comprises an entire item. When preparing the bid, the bidder is not permitted to alter or add text from this documentation.

The bid is bound in such a manner that it does not allow subsequent removal or insertion of pages.

The bid guarantee is submitted such that it is inserted as an original in a completely closed transparent plastic sleeve, bound with the bid in such a manner that it becomes an integral part of the bid. The plastic sleeve into which the bank guarantee is inserted must be closed from all sides and/or sealed with one or more stickers such that the guarantee cannot be removed from the sleeve without tearing or cutting the sticker. The bank guarantee must be undamaged, i.e., it must not be in any way perforated, stapled, glued, folded or damaged in any way whatsoever.

These provisions are also applied in the same manner for submission of the letter of intent on the issuing of a bank guarantee (performance guarantee) for the orderly fulfilment of obligations from the concession agreement.

Parts of the bid such as the data storage medium and the like which cannot be bound will be designated by name by the bidder and cited in the contents of the bid as being part of the bid.

Pages of the bid are designated by a number such that the sequential page number and the total number of pages in the bid are visible.

The bid is submitted as an original.

The bidder may prior to expiration of the bid submission deadline withdraw from his submitted bid by providing a written declaration. The written declaration is submitted in the same manner as the bid with a mandatory designation indicating that it involves withdrawing from the bid. In that case, the unopened bid will be returned to the bidder.

The bidder bears all costs in preparing, submitting and possible returning of the bid.

6.4. AUTHORISATION FOR SIGNING A BID

If the bidder is a company, the bid and other documents required in this Tender Documentation must be signed by the person authorised to represent the bidder in accordance with data from the court registry of the relevant Commercial Court or other relevant body in the host country of the bidder. The bidder may authorise another person to sign the bid and other documents, however in such cases a legally valid power of attorney for representation must be submitted. The power of attorney for representation is considered valid if it has been issued / signed by the person authorised to represent the bidder in accordance with the data from the court registry of the relevant Commercial Court or other relevant body in the host country of the bidder.

If the bidder is a consortium of bidders, the bid and other documents required in this Tender Documentation must be signed by the person authorised to represent the consortium of bidder in accordance with data from the court registry of the relevant Commercial Court or other relevant body in the host country of the bidder. The consortium of bidders may authorise another member from the consortium of bidders to sign the bid and other documents, which need not be submitted for every member of the consortium of bidders individually. In that case, the consortium of bidders must submit a valid power of attorney for representation issued / signed by the person authorised to represent the consortium of bidders in accordance with the data from the court registry of the relevant Commercial Court or other relevant body in the host country of the bidder.

Evidence of authorisation for a signatory is given by submitting the excerpt from the court registry in accordance with Point 5.1, subpoint 1) of this Tender Documentation.

6.5. MANNER OF SUBMISSION AND PERIOD OF VALIDITY OF BIDS

The bid is submitted in a closed envelope with the designation of the sender and receiver including a clear designation of the subject and a written caution:

„Do not open – bid for “PRUKLJAN PROJECT

at the address:

Ministry of State Assets

Ulica Ivana Dežmana 10

10000 Zagreb, Croatia

no later than by 12.00 pm on 1 July 2020

Only those bids designated by day and hour and recorded as such in the Clerk's Office of the Ministry of State Assets will be opened and taken into consideration.

6.6. DATE AND PLACE FOR THE SUBMISSION OF BIDS

Consideration will only be given to bids which are received at the Clerk's Office of the Ministry of State Assets, Zagreb, Dežmanova 10, no later than by 12 pm on 1 July 2020.

If a bid sent by recommended postal mail or submitted to an authorised provider of postal services, the date of submitting to the post office or authorised provider of postal services, the Ministry of Assets will deem this as the date of submission.

6.7. CONDITIONS FOR OBTAINING THE TENDER DOCUMENTATION

The deadline for obtaining the Tender Documentation starts from the date of publishing the Public Call for Submission of Bids for the purchase of land plots in the ownership of the Republic of Croatia located in Skradin cadastral municipality, the bid for establishing construction rights on land plots in the

ownership of the Republic of Croatia in Skradin cadastral municipality for the purpose of constructing Prukljan Project with the aim of constructing the Prukljan hospitality-tourism zone along with two beaches and the special purpose port – nautical tourism port – berth and constructing the Prukljan Golf Course including the tourist accommodation facilities (tourist villas) in Skradin Town in the Šibenik-Knin County.

The Tender Documentation is obtained in digital format and no charges apply.

6.8. ABILITY TO ACQUIRE ADDITIONAL INFORMATION ON THE SUBJECT OF THE BID

- Bidders are invited to peruse the official heralds of the Šibenik-Knin County and Skradin Town, the public registries for properties (land title books, cadastral records, register of cultural assets belonging to the Republic of Croatia – list of protected cultural assets, list of cultural assets of national importance and list of preventively protected assets) so as to obtain information on possible public and legal limitations.
- Bidders will be given the opportunity to inspect the property within the respective zone every working day subject to giving prior notice to the Town of Skradin, address: Trg Male Gospe 3, 22222 Skradin, Republic of Croatia, telephone: +385 (0)22 771 076, Fax: +385 (0)22 771 051, email address: grad.skradin@si.t-com.hr no later than by the end of the deadline for submission of bids.

7. CRITERIA FOR EVALUATION OF BIDS

7.1. CRITERIA FOR EVALUATION OF BIDS IN ACCORDANCE WITH THE REGULATION ON THE PROCEDURE FOR GRANTING CONCESSIONS ON MARITIME DEMESNE

Selecting the most economically advantageous bid will be done under the following criteria and manner of scoring:

- offered amount of the fixed part of the concession fee – 30%
- offered amount of the variable part of the concession fee – 30%
- Offered amount of the total investment according to the economic feasibility study – 40%

Each element of the bid is evaluated separately, and the sum of the total score by criterion cannot exceed 1.0, where the total score is multiplied by the number 100 and comprises 10% of the assessment for the entire bid for development of the Prukljan Project.

The variable part of the concession fee is calculated in an absolute amount according to the presented total revenues from the economic feasibility study, and for the duration of the concession.

7.2. FORMULAE AND CALCULATION METHODS BASED ON THE REGULATION ON THE PROCEDURE FOR GRANTING CONCESSIONS ON MARITIME DEMESNE

a) Coefficient of the fixed part of the concession fee =

$$\frac{30\% \times \text{offered amount of the fixed part of the concession fee}}{\text{highest offered amount of the fixed part of the concession fee}}$$

b) Coefficient of the variable part of the concession fee =

$$\frac{30\% \times \text{offered absolute amount of the variable part of the concession fee}}{\text{highest offered absolute amount of the variable part of the concession fee}}$$

c) Coefficient of total investment =

$$\frac{40\% \times \text{offered amount of the total investment}}{\text{highest offered amount of the total investment}}$$

8. OTHER INFORMATION

8.1. SUBCONTRACTING

With the aim of better utilisation of the maritime demesne throughout the duration of the concession agreement, the concessionaire, with prior consent from the Concession Grantor, may conclude agreements on the provision indirect activities for services with third persons in accordance with the provisions of Article 26 of the Maritime Demesne and Sea Ports Act.

The concessionaire may conclude subconcession agreements subject to prior consent from the Concession Grantor in accordance with the provisions of Article 35 of the Maritime Demesne and Sea Ports Act.

8.2. ASSIGNMENT OF THE CONCESSION AGREEMENT

Based on Article 35 of the Maritime Demesne and Sea Ports Act, a concession may be transferred, subject to the consent of the Concession Grantor, in full in the same scope and under the same conditions under which it was given to a third party subject to the condition that the third party fulfils the

eligibility conditions determined for the concessionaire in the tender documentation, notice of the intention to grant a concession and the Maritime Demesne and Sea Ports Act.

Also, in accordance with Article 34 of the Maritime Demesne and Sea Ports Act, and subject to the prior written consent from the Concession Grantor, the concession, may be transferred to a third party and for the purpose of settling claims of the lien creditor when the concession is a subject of the right of lien established in accordance with governing provisions.

8.3. MANNER AND CONDITIONS FOR RESOLVING DISPUTES

All disputable issues relating to use of the concession and all other issues not regulated by the Concession Agreement are subject to the provisions of the Maritime Demesne and Sea Ports Act (Official Gazette, no. 35/05, 41/08, 125/11, 78/15 and 29/18) in the appropriate manner, and all disputes arising from the Concession Agreement fall under the jurisdiction of the Administrative Court in Zagreb.

9. APPENDICES

9.1. APPENDIX 1 – GRAPHICAL PRESENTATION AND LIST OF COORDINATES

The appendix to this documentation is a graphical presentation of the maritime demesne for which a concession is to be granted.

9.2. APPENDIX 2 – MANDATORY CONTENT OF THE ECONOMIC FEASIBILITY STUDY

MANDATORY CONTENT OF THE ECONOMIC FEASIBILITY STUDY

NOTICE OF INTENTION OF GRANTING A CONCESSION

ON MARITIME DEMESNE FOR THE PURPOSE OF ECONOMIC UTILISATION OF TWO BEACHES AS WELL AS CONSTRUCTION AND ECONOMIC UTILISATION OF THE SPECIAL PURPOSE PORT – NAUTICAL TOURISM PORT – BERTHS WITHIN THE PRUKLJAN TOURISM ZONE IN SKRADIN CADASTRAL MUNICIPALITY

The economic feasibility study, in addition to other documentation, is a mandatory appendix to the bid for granting the concession and is a fundamental document for assessing bids and selection of the most favourable offer.

The study proves the economic feasibility, i.e. the rate of return and profitability for economic utilisation of the maritime demesne and is used to determine the amount of the fixed and variable part of the concession fee for economic utilisation of the maritime demesne. Furthermore, it is also the basis for determining the amount of the total investment expenditure which includes expenditure for environmental protection according to the assessed level of environmental vulnerability, and which in turn represents important criteria for assessing and valorising offers.

The economic feasibility study must be drafted in line with the rules of the profession so as to provide objective and correct drafting and assessment of

1. methodological rules and principles,
2. indicators that represent a realistic presentation of development opportunities in the project,
3. the structure of technical and technological elements and associated documentation,
4. realistic results and amount of planned investments.

The economic feasibility study must contain the following elements:

1. existing situation at the location for which the concession is sought;
2. investment plan elaborated in detail for the entire duration of the concession;
3. amount of the investment planned for environmental protection;
4. amount of the entire planned investment;
5. sources of financing the investments (own sources, loans);
6. assessment of the project's rentability (revenue – expenditure);
7. statement from the bidder on his technical and personnel capacities as well as organisational capabilities for implementing the concession;

Economic feasibility study is drafted in line with the content and determinants as follows:

1. INTRODUCTION

The introductory section refers to the subject and goal of the economic feasibility study along with the fundamental natural, spatial and market indicators of the current condition at the local and regional level, and also presents the standard justification for the project and conformance to current laws.

2. BASIC INFORMATION ON THE PROJECT

Basic information on the project contains a summary of all the numerical indicators relating to the investment, for instance, name of the project, location, value of the investment, schedules for project implementation, key financial indicators, method of financing and conditions, value of annual turnover, loan repayment period, internal rate of return, project lifecycle, determined duration period of the concession, total estimated value of investment, planned number of employees, surface areas of the maritime demesne, capacities of the sea and land parts of the port, number and sizes of berths or moorings, size of boars and facilities, operational and parking surface areas, as well as other essential amenities and functional data on the special purpose port, etc.

3. INFORMATION ON THE ENTREPRENEUR - INVESTOR

3.1. Data and information on the entrepreneur - investor

Data concerning the investor and project also contain all the company registration information relating to company name, address, registration and identification codes, legal form of incorporation, date of incorporation, name of project, location, value of investment, schedule for implementing the project and key financial indicators regarding the manner and conditions of financing, amount of annual turnover, deadline for loan repayments, internal rate of return, and so on.

Other data are cited from the company registration, such as data regarding the subject of business, registered business activities, founders and share capital.

There are no obstacles for a consortium to submit an offer, under the condition that one of the members is appointed as the leading member, who will liaise with the concession provider on behalf of the others, and that at least one of the consortium members, specifically the leading member, is registered for the business activity for which the concession is granted.

3.2. Vision of the entrepreneurial project

The entrepreneurial vision for the project implies the reasons and goals of the investment, the investor's references, available professional personnel, business goals for the project and also a statement from the investor as to the technical, financial and staff readiness for realization of the construction of the beach and special purpose port – berth for the respective entrepreneurial project along with profitable economic utilization of the maritime demesne throughout the entire duration of the concession.

For entrepreneurs and potential investors who have been doing business for less than a year and do not possess information on previous business

operations, it is exceptionally important that the entrepreneur make it clear that based on the vision and personal know-how, experience and qualities, he intends to realize the project and do business in line with the planned indicators.

4. EXISTING SITUATION AT THE LOCATION

4.1. Macrolocation

The analysis of the macrolocation provides information on the maritime characteristics, traffic routes and connections, as well as cultural, historical and natural regional surroundings, the closest urban surroundings and the like, with an emphasis on references to future beach and special purpose port activities.

4.2. Microlocation

Analysis of the microlocation provides the spatial, infrastructural, traffic and communication characteristics of the location, for instance, opportunities in the spatial development plan, level of infrastructure, i.e., existing and planned telecommunications, water and sewage network, electricity supply, which have lead the investor in terms of selection and specific investments, etc., and which have led the investor to select the specific investment.

5. TECHNOLOGICAL AND TECHNICAL ELEMENTS OF THE INVESTMENT

This section needs to present realistic planning of all technical and technological elements, including organization as well as financial and economic effects, arising from all economic activities during the concession and economic utilization of the beach and special purpose port - berth, as essential for presuming the success of the investment project, and is to contain in particular the following:

STRUCTURE AND ELEMENTS OF THE OVERALL PLANNED INVESTMENT

The total planned investment as a criterion for granting the concession is expressed in a bill-of-quantities type of description of activities, allocation and amounts in terms of the Economic Feasibility Study and is based on the following elements:

- Procurement of equipment for economic utilisation of the beach and special purpose port - berth,
- Procurement of equipment for environmental protection and maintenance of the beach and special purpose port - berth,
- Deadlines for procurement and setting up of the equipment.

For realisation of the project for developing the beach and special purpose port – nautical tourism port – berth, on part of Skradin cadastral municipality, the determined deadline is a total of 5 years which begins on the day after signing the agreement on realisation of the Prukljan Project.

Based on the conducted analysis of the activities and conceptual design for the beach and special purpose port – berth which results in the appropriate technological and technical solution, all the necessary assets are selected – fixed assets, those directly linked to the process of economic use or production, as well as other fundamental assets in the special purpose port.

The application of the selected technology may rely on various technical solutions. Therefore, it is important that in addition to the Economic Feasibility Study, besides the stipulated conceptual design, that all other design document be submitted (preliminary design, main design, other technical documentation for obtaining the construction permit, and the like). The starting point of other financial calculations which are done in terms of financial aspects of the Economic Feasibility Study (investments in fixed and working capital, costs of business and price of costing services and products) is physical data from analysis of the technical and technological solutions and serve to determine the structure of necessary resources and capacities.

The total investment expenditure, i.e., the planned total investments does not need to include the costs of current and ongoing maintenance or replacement of construction elements, assemblies, devices and equipment throughout the duration of the concession, nor costs of regular testing and attests, especially not operating expenditure for future promotional activities, advertising and the like. An exception should be applied with respect to environmental protection as a public interest which is apparent and protected by implementation of regular testing and monitoring of the eco system.

5.1. Technological elements

A belt 50 m from the foreshore line is planned as a developed or natural beach, and the associated amenities for the beach (amenities for the developed beach, open sports and recreational amenities, children's playground) are planned outside of the belt 50 m from the foreshore line. For the needs of hospitality tourism intended use, the requirement is to ensure at least 6 m² of beach area per user on land and a belt with a minimum width of 100 m for the marine waters from the foreshore line (1500 users x 6 m² / users = 9,000 m²).

Development of the beach from the previous paragraph is possible while adhering to the following conditions:

1. The land section of the beach is formed within the foreshore section, in addition to ensuring movement along the public coastline belt, the construction of a coastline pedestrian walkway thoroughfare/walking trail,
2. Filling the shore belt in order to form the public space for sunbathing is possible only upon detailed investigation of the possible impact on the environment and technical solutions defined in detail,
3. Associated sea section of the beach has a minimal width of 100 m from the shoreline,
4. It is mandatory to plan for the placement of showers, changeroom cabins and toilet amenities in line with current standards and special regulations,
5. Respect the existing greenery and incorporate its form into the planned spatial concept
6. Part of the beach area, not more than a third, may incorporate plans for accommodating amenities for water sports (scouters, pedal boats, aqua slide, wakeboard, cable lift, and the like).

The special purpose port – nautical tourism port – berth for the use in the hospitality-tourism zone is planned to take place outside the hospitality-tourism zone which is subject to configuration of the terrain. There are plans for an area of marine waters within which it will be possible to accommodate one berth with a maximum length of 20 m for receiving tourist boats to transport excursioners – tourists and in addition, if spatially possible, the plans may incorporate for the requirements of the tourism zone a berth for receiving up to a maximum of 3 vessels / 1 ha area of the zone (3 vessels/ha x 30 ha = 90 vessels), maximum areas of the maritime waters per berth of 100 m² (90 vessels x 100 m² / vessel = 9,000 m²) where the total area of the marine waters for the mentioned intended use may not exceed 1 ha.

Constructing the berths for the Prukljan hospitality-tourism zone means the ability to change the existing foreshore line, but the plans may not incorporate any facilities providing a technical-technological function: servicing, workshops, sanitary, breakwaters and the like, in addition to necessary equipment for receiving pontoon-type vessels and such that they do not jeopardise each other's manner of utilising the zone and that the natural structure of the foreshore is preserved as much as possible,

5.2. Technical equipment

List of planned technical equipment for the purpose of economic use of the beach and special purpose port – berth planned for equipping and for

maintenance of the beach and special purpose port – berth.

5.3. Technological capacity and scope of services

Technical capacity and scope of services in the study is presented in tabular form with numerical data, for instance, on the type, size and quantity of vessels, number of moorings, gross and net surface areas, data on capacities, area and length of jetties and the like, and data, for instance, on the number of size of prefabricated structures and amount of resources which will be placed on the beach (e.g., sun loungers, paddle boats, pedal boats, sailboats, rowing boats, canoes, and the like, gross and net surface areas based on the content and economic use, data on beach capacity, area and length of the beach, and the like.

6. INVESTMENT PLAN

6.1. Total planned investments – overall investment expenditure

The total investment expenditure is a criterion that represents the cash amount determined in the economic feasibility study as the determined value of all works and equipment in the form of a bill-of-quantities which the bidder as the future concessionaire will carry out for the purpose of developing and economic utilisation of maritime demesne, i.e., investments in fixed assets.

The total planned investment is to be expressed in Croatian kuna excluding VAT.

6.2. Investments in fixed assets

Total capital expenditure in the investment project for economic use of maritime demesne in terms of criteria for the granting of the concession refers to investments in fixed assets or long-term assets.

The starting amount in calculating investments in fixed assets are construction costs at acquisition value.

The costs of procurement include sales price as charged by the supplier, customs and import levies, freight costs, insurance, as well as assembly and other dependent costs.

Acquisition costs should also include the cost structure and acquisition values as well as the schedule for construction or procurement of capital assets so as to later calculate the amortisation and balance sheet items, i.e. verifying the level of investment by the concession provider.

Total direct investment costs therefore should not include costs for current and ongoing maintenance of equipment over the duration of the concession, regular testing and periodical attesting of installations, devices and equipment, investments in business operations through future promotional activities, advertising and the like.

Furthermore, total investment expenditure does not include fixed intangible assets such as licences, patents, concessions, franchises, incorporation investments, various intellectual property rights and the like.

6.3. Investment expenditure in working capital

Investment expenditure in working capital is not included in total expenditure and is not applicable as a criterion for drafting and assessing offers for the granting the concession.

6.4. Amount and allocation of the total planned investment

The allocation and amounts of the overall planned investment implies a presentation in the form of bill-of-quantities that contains the basic items for each phase of setting up the equipment, quantity and amount or unit measure, unit price for items, and the total level/value of the investment.

1. Costs of technical equipment,
2. Costs of environmental protection,
3. Other costs

6.5. Amount of investments planned for environmental protection

Investments in maritime demesne for the purpose of its economic utilisation of the special purpose port is to contain expenditures for environmental protection and represents part of the total investment.

The Environmental Protection Act (Official Gazette no. 0/13, 153/13, 78/15, 12/18 and 118/18) and the Regulation on Assessment of Environmental Impacts of Projects (Official Gazette no. 61/14 and 3/17) for the special purpose port are determined as projects in environments for which there is a need for environmental impact assessment.

Part of the investment costs are directed towards environmental protection, and primarily for:

- Resolving the issue of waste and faecal water for which the port facilities in the sea and on land are connected onto the public drainage system,
- Procurement of equipment and resources for preventing pollution and

contamination of the sea area belonging to the special purpose port.

During construction of the special purpose port, there may be a possibility of anticipating a series of negative environmental impacts, not only directly but also indirectly, especially due to:

- Creating blurry water;
- Possible pollution due to oil or fuel from the use of construction machinery,
- Possible damage to living communities which inhabit the area intended for construction
- Pollution due to construction waste,
- Air pollution from dust and gases;
- Pollution due to sanitary consumption water and faeces,
- Pollution due to communal waste, and
- Noise pollution

All investments in equipment, facilities and other resources for environmental protection are presented in the bill of quantities according to descriptions of items, unit measures, unit prices and total investment costs.

Besides the stated project activities calculated into the investment costs, investment criteria in environmental protection are present during exploitation of the port, where such investments should be defined as separate items (cleaning, underwater environment, landscaping the foreshore, landscaping and maintenance of green areas and the like) during the exploitation period of the special purpose port.

In the event of pollution, the special purpose port must have at its disposal at least the following technical resources for intervention:

- Floating protective barrier at least 50 meters in length,
- Motor-powered boats for the daily collection of solid floating waste, and which will also be used for placing the floating barriers,
- At least 100 litres of biodegradable dispersants,
- Mobile spray for apply the dispersants,
- At least 100 litres of absorbent chemicals for cleaning the foreshore and water area in the event of a localised spillage,
- Small accessories – metal moulds, tools, self-adhesive labels,
- Protective apparel (gloves, clothing),
- Warning devices (telephone, fax, mobile phones).

Investments in environmental protection which have not been previously designated are considered to the following costs:

- Testing the quality of service water and stormwater,
- Purification of wastewater, service water and stormwater,
- Testing the quality of the sea at points not covered by regular sea quality monitoring,
- Drafting the study on the condition of the seawater, sea bottom and foreshore
- Testing the quality of emission gases,
- Installation of purifiers for wastewater which come from the washing of boat hulls and the release of heavy metals,
- Other actions.

6.6. Planned maintenance costs

Ongoing and current maintenance of facilities and equipment as fixed assets situated on maritime demesne for the purpose of the economic utilisation of the maritime demesne by the concessionaire throughout the duration of the concession is not part of the total investment expenditure as a criterion for granting the concession.

Maintenance also implies all regular and unplanned testing of equipment as envisaged by applicable laws.

6.7. Other investments

Other expenditure in the concessionaire's business throughout the duration of the concession does not represent investment expenditure.

6.8. Sources of financing the investment

The economic feasibility study is to show the source of financing the investments for the economic use of the maritime demesne.

Based on determined total investments, it becomes necessary to ensure funds for financing the investment project. Such funds may be proprietary or from third parties, or a combination of both.

In current conditions and as a rule, the source of funds for financing refers to commercial loans for which it is necessary to show:

- Iznos kredita,
- Kamata za vrijeme poćeka,
- The loan amount,
- Interest for the interest only repayment period,
- Debt (loan),
- Repayment period,
- Start and use,
- Number of interest calculations

- Loan repayment on an annual basis,
- Interest rate.

Besides the basic information, the Loan Annuity Repayment Plan should also be included and presented in tabular form based on a time frame for the repayment period according to years, the annual annuity amounts, principal and interest calculations as well as successively the remaining loan amounts leading up to the complete repayment.

6.9. Estimated rate of return for the project

Assessment of the project's rate of return is based on the situation on the market for the respective business which is planned for maritime demesne, planned development of the business as well as medium-term and long-term economic development projections.

6.10. Analysis of the market, sales – formulating total income

The analysis of market for acquisition and sale of products or services provides first a definition of the type of product or service in the bidder's future business, as well as assessing the conditions of doing business based on available data on the goods market (suppliers), procurement of raw and other materials, labour market (workers), organisational, tax, administrative conditions, municipal infrastructure, special conditions for the location and environmental protection, as well as distribution and the market for the sale of goods and services (buyers).

Market analysis, technical and technological analysis and analysis of the location must be expressed together in physical and also units of value, whereas the economic-financial analysis of the outcomes of the project should be expressed as financial amounts in units of value.

The elements and structure of the economic and financial analysis are:

- Formulating total income,
- Investments in fixed assets,
- Operating expenditure,
- Investments in working capital,
- Sources of financing and financial liabilities,
- Fundamental financial statements: profit and loss statement, financial flow, balance sheet.

The Economic Feasibility Study needs to expound in detail and transparently the factors from the market analysis which are used as the basis for estimating revenue for each income category and the manner in which the

final amounts are calculated. Total revenue is presented analytically in the previous tabular form as an expression of capacity utilization: physically in relation to temporal indicators – daily or annual and actual capacity utilization.

6.11. Summary of revenue

The tabular presentation of the summary of all incomes, from core business activities (products or services) and from specific services, for a long-term period on a yearly basis, the shortest being for the loan annuity repayment period from which the total investment is financed.

7. OPERATING EXPENDITURES

Operating expenditures include all input operating costs.

Operating expenditures are planned based on disclosed analyses of business capacities (services/production), supply market, technological and technical solutions, norms for consumption of labour and materials, duration of the service of production process, etc.

The structure of operating expenditure is as follows:

- Material and non-material costs,
- Gross wages,
- Amortization.

7.1. Plan for general costs

The general costs of the concessionaire based on type and amount depends on the type of business undertaken on the maritime demesne.

The plan for general costs is expressed in tabular form on a yearly basis for a subsequent period of approx. five years from the start of undertaking the business activities, based on previously calculated indicators for particular types of costs.

7.1.1. Costs of personnel - employees

The planned number of employees must be based on all economic activities which are conducted on the maritime demesne and citing the period in which they will be employed.

This same number represents the minimum number of employees on the beach and in the special purpose port – nautical tourism port – berth and may not be reduced throughout the duration of the concession.

Based on identified technological and technical conditions for production and the determined organisation of operations for the project as a whole, a classification structure and the number of employed workers is determined, where this requires beforehand determining the profile and number of workers, schedule for employing, whether the market can provide the appropriate type of workforce or whether investments in additional training are required, and the like.

Personnel costs are given in tabular form based on the professional and qualification structure and established and complete number of permanent and seasonal workers, average gross wages, effective working months for the particular categories and is expressed as the total expense for wages at a yearly level.

Based on such given costs of full employment capacities, a cost summary of planned gradual employment throughout the initial years and leading to full functionality and maximum effective business operations of the maritime demesne.

This also includes the factor depicting an annual increase in gross wages due to inflationary effects and increase in employee productivity. The number of years for which such gradual employee engagement is given depends on the investor's capability to activate full capacity of the beach and at the special purpose port – nautical tourism port -berths as well as establish effective economic utilisation of the maritime demesne as soon as possible.

7.1.2. Concession costs

The concession costs are to include the costs of the permanent and variable part of the concession fee at a yearly level.

The planned fixed part of the annual concession fee is calculated based on occupied square metres of maritime demesne, where the variable part of the concession fee is calculated as a percentage of total revenue, and considering the calculated planned total yearly income in kuna, it is therefore expressed on a yearly basis as the total amount of the variable part of the concession fee.

The concession fee is part of the cost side of the business

7.2. Amortisation

Amortization is the consumption of fixed assets, which is gradually spent in time and through its utilisation in undertaking certain business activities (services or production), i.e., where its reduction in value is due to technical and technological outdatedness.

Amortisation is calculated according to the applicable laws and is presented in tabular form.

Based on the presented total yearly amount of amortisation of fixed assets, amortisation values are shown in tabular form for all fixed assets on a yearly basis leading to the time of full amortization of assets or expiration of the concession period.

8. OPERATING RESULT

8.1. Profit and loss statement

The profit and loss statement is calculated and shown in tabular form.

Based on the profit and loss statement, the trend for total revenue coming from core and supporting business activities in relation to total operating costs (including costs of materials, energy, services and other operating costs, employee wages, concession, amortization, interest on loans, and other forms of financing) is calculated and shown for each year and across all years of the concession period.

The yearly business results for total income and costs is used to calculate gross profit, corporate tax, net profit and cumulative net profit for the entire concession period.

8.2. Financial flow

Financial flow is calculated and expressed in tabular form.

Financial flow is used to calculate and express the net earnings and cumulative net earnings for each year and across all years of the concession period, resulting from total earnings from operating income and sources of financing (e.g., loans) with respect to total expenses from total expenditure in fixed assets, i.e., long-term assets, costs of materials, energy, services, other operating costs, employee wages, concession costs, repayment of loan annuities and corporate tax.

8.3. Dynamic assessment of project profitability

The dynamic assessment of project profitability is determined by measuring net earnings of economic flow based on dynamic profitability assessment methods.

8.3.1. Economic flow

Economic flow is calculated and expressed in tabular form.

Economic flow is calculated and expressed for each year and across all years of the concession period based on a methodology from the economics profession and on data covering total earnings, total expenses, net earnings and cumulative net earnings

This obtained data is used to calculate the indicators based on dynamic assessment of project profitability and is also presented in tabular form.

The table must contain data across all years of the concession period relating to net earnings from economic flow, cumulative net earnings from economic flow, discounted net earnings from economic flow at discounted rates, and the internal rate of return.

Finally, data on the number years for return on investment is given, including net present value, relative net present value and internal rate of return.

Acceptability of the project is assessed using the methods for dynamic assessment of project profitability:

- Return on investment method,
- Net present value method,
- Relative present value method,
- Internal rate of return method.

8.3.2. Profitability threshold

With the aid of profitability threshold analysis, the quantity of sales of products/services which is to cover fixed and variable operating costs are determined. The profitability threshold is expressed as the minimum amount of income that the investment project must achieve in order to cover operating costs, i.e., the point where there is no profit or loss.

In analysing the profitability threshold, costs are divided into fixed and variable costs.

Calculations for the profitability threshold rely on indicators of changing (variable) and permanent (fixed) costs for a typical year of the project.

9. THE BIDDER'S EXPERIENCE

The bidder's experience relates to experience in all business activities which will be performed in the area of the maritime demesne.

Information on previous experience in business should be shown clearly in order that the entrepreneur, based on his vision and own knowledge, experience and quality, is able to achieve the project and do business in line with the envisaged indicators.

10. CONCLUDING ASSESSMENT OF THE PROJECT

The final assessment of the project provides the basic determinants of the investment project, i.e. the business venture, which present the following:

- Total value of investment and duration of concession,
- Benefits in realization of the future project in relation to achieving the development and spatial plans, tourism and economic development of the local and regional community, renewal of existing municipal infrastructure and new employment.
- Financial and economic indicators on acceptability, justification, rentability and profitability of the investment project
- Positive business operations of the future concessionaire as guarantee of fast repayment of loans and long-term secure payment of the concession fee throughout the concession period,
- General social benefit and positive financial outcomes for the community based on the planned concession fee from granting the concession on maritime demesne for the purpose of its economic utilization, along with preservation of the sensitive eco system and environmental protection.

9.3. APPENDIX 3 - SUMMARY LIST

SUMMARY LIST

for submitting the offer in the procedure for the public gathering of offers in granting the concession on maritime demesne

1. The offered fixed part of the concession fee per square meter of occupied space amounts to HRK _____, which amounts to HRK _____ annual for the entire area;
2. The offered variable part of the concession fee amounts to _____ % of revenue, which in the absolute amount based on the shown total revenue from the economic feasibility study throughout the duration of the concession amounts to HKR _____;
3. The offered total investment amounts to HRK _____ (for the entire duration of the concession):

In _____(place), on _____ (date)

Person authorised for representing the bidder

(legible name and surname, signature)

9.4. APPENDIX 4 – STATEMENT BY BIDDER ON FULFILLING OBLIGATIONS FROM THE CONCESSION

Pursuant to Article 18 of the Regulation on the Procedure for Granting Concessions on Maritime Demesne and Point 5.1, Subpoint 5) of the Tender Documentation in the procedure for granting concessions on maritime demesne for the purpose of economic use of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone, within Skradin cadastral municipality, I am providing my

STATEMENT

whereby I _____

(name and surname, number of personal identity card/passport issued by _____)

as the person authorised for representing the economic entity _____

_____,
(economic entity name and headquarters, VAT ID no. or other applicable number)

confirm that the economic entity _____

(economic entity name and headquarters, VAT ID no. or other applicable number)

has fulfilled all its obligations from the concession: _____

(enter the subject / description of concession)

concluded with the concession grantor _____

(enter the name of the concession grantor)

with the concession lasting until: _____

(enter the duration of the concession)

In _____(place), on _____ (date)

Person authorised for representing the bidder

(legible name and surname, signature)

If the bidder has had no other concessions, then a statement containing the following is necessary:

"In signing this Statement, I confirm that the economic entity _____

(economic entity name and headquarters, VAT ID no. or other applicable number)

has not in the past had other concessions."

In _____(place), on _____ (date)

Person authorised for representing the bidder

(legible name and surname, signature)

**9.5. APPENDIX 5 - STATEMENT BY THE BIDDER ON
CONFISCATION OF A CONCESSION**

Pursuant to Article 17, Paragraph 5 of the Maritime Demesne and Sea Ports Act and Point 5.1, Subpoint 6) of the Tender Documentation in the procedure for granting concessions on maritime demesne for the purpose of economic use of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone, within Skradin cadastral municipality, I am providing my

STATEMENT

whereby I _____

(name and surname, number of personal identity card/passport issued by _____)

as the person authorised for representing the economic entity _____

_____,
(economic entity name and headquarters, VAT ID no. or other applicable number)

confirm that the economic entity _____

(economic entity name and headquarters, VAT ID no. or other applicable number)

has been the subject of confiscation of a concession as referred to in Article 30 of the Maritime Demesne and Sea Ports Act.

In _____(place), on _____ (date)

Person authorised for representing the bidder

(legible name and surname, signature)

9.6. APPENDIX 6 - STATEMENT BY THE BIDDER ON THE NON-EXISTENCE OF A FINAL CONVICTION FOR ONE OR MORE CRIMINAL OFFENSES IN THE AREAS OF WHITE-COLLAR CRIME

Pursuant to Article 18 of the Regulation on the Procedure for Granting Concessions on Maritime Demesne and Point 5.1, Subpoint 7) of the Tender Documentation in the procedure for granting concessions on maritime demesne for the purpose of economic use of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone, within Skradin cadastral municipality, I am providing the following

STATEMENT

whereby I _____
(name and surname, number of personal identity card/passport issued by _____)

as the person authorised for representing the economic entity _____,
(economic entity name and headquarters, VAT ID no. or other applicable number)

under material and criminal liability, I declare that against neither me personally, nor against the economic entity in which I am a representative by law, has there been a final conviction according to the laws of the host country of the economic entity, or the country of which the person authorised by law for representation of the economic entity is a citizen for one or more of the following criminal offenses as described in Chapter XXIV of the Criminal Code of the Republic of Croatia (Official Act, no. 125/11, 144/12, 56/15, 61/15, 101/17, 118/18 and 126/19):

- Abuse of trust in economic activities, fraud in business activities, breach of the obligation to maintain trade and business books, causing bankruptcy, favouring creditors, receiving and giving bribes in bankruptcy proceedings, receiving bribes in business activities, giving bribes in business activities, abuses in public tender procedures, misleading advertising, evasion of tax or customs duties, avoiding customs inspections, fraud in subsidies, misuse of privileged information, misuse of the capital markets, unauthorized use of someone else's enterprise, disclosure and unauthorized acquirement of trade secrets, unauthorized production, unauthorized trading, money laundering.

In _____(place), on _____ (date)

Person authorised for representing the bidder

(legible name and surname, signature)

9.7. APPENDIX 7 – FORM FOR THE BIDDER’S STATEMENT ON THE NON-EXISTENCE OF REASONS FOR EXCLUSION FROM THE PROCEDURE FOR GRANTING THE CONCESSION AS STIPULATED IN ARTICLE 24 OF THE CONCESSIONS ACT

Pursuant to Article 18 of the Regulation on the Procedure for Granting Concessions on Maritime Demesne and Point 5.1, Subpoint 8) of the Tender Documentation in the procedure for granting a concession on maritime demesne for the purpose of economic use of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone, within Skradin cadastral municipality, I am providing my

STATEMENT

whereby I _____

(name and surname, address, identity card no./passport issued by_____)

as the person authorised for representing the economic entity _____

_____,
(economic entity name and headquarters, OIB/TIN or other applicable number)

under material and criminal liability, I declare that neither for me personally, nor for the economic entity, of which I am a representative by law, are there any reasons for exclusion from the procedure for granting concessions as stipulated in Article 24 of the Concessions Act

Place: _____, date: _____

Person authorised to represent the bidder

(legible name and surname, signature)

9.8. APPENDIX 8 - OWNERSHIP STRUCTURE

Economic entity	Name of member and percentage in the ownership structure of the economic entity	Description of core activities of the member of the economic entity

**9.9. APPENDIX 9 - STATEMENT BY THE BIDDER ON
ACCEPTANCE OF CONDITIONS IN THE TENDER
DOCUMENTATION**

**STATEMENT BY BIDDER ON ACCEPTANCE OF ALL CONDITIONS
IN THE TENDER DOCUMENTATION**

Name of bidder / consortium of bidders:	
Headquarters:	
Place and postcode:	
VAT ID no.	

We state that we, as the bidder/consortium of bidders in the procedure for granting a concession on maritime demesne for the purpose of economic use of two beaches as well as construction and economic utilisation of the special purpose port – nautical tourism port – berth within the Prukljan tourism zone, within Skradin cadastral municipality, we have read and understood all provisions from this Tender Documentation along with the appendices and that we are familiar with them, i.e., that we have understood them in full.

Furthermore, we state that we accept all conditions from the respective Tender Documentation along with the appendices and if our bid is chosen, we shall fulfil the Concessions Agreement in accordance with its provisions.

In _____(place), on _____ (date)

Person authorised for representing the
bidder / consortium of bidders

(legible name and surname, signature)

