

C.N. - 014 **NULL COST**

São Paulo, October 20, 2009

In order to extinguish questions raised by certified agencies and client advertisers from various regions in the country, including among the latter, public entities of the municipal and state level, without interfering with legitimate processes of free negotiation between the parties, based on current law of public contracts and on item 3.6 of the Standard-Norms for Advertising Activity, CENP explains and recommends the following:

1. Have the provisions of par. 3, Art. 44 of Law 8666/93 with the amended carefully adhered, which established rules for bidding and contracting in the public administration, establishing that:

“Proposals which submit global prices or symbolic valueless figures or null cost, incompatible with the prices of input and market wages, plus related charges, even though the act of convening to bidding has not established minimum, except when referring to materials and facilities owned by the bidder itself, to which he renounces portion or all of the compensation;”

2. The agency's internal services will be compensated to ensure the compliance with the legal provisions mentioned above, taking as reference values based on internal costs collected and published by the Association of Agencies from the base region where the service will run;

3. Contracts must ensure compliance with the provisions of items 3.6.1 and 3.6.2 for the purchase of external services, hired by agencies on behalf and for their client-advertisers, being condemned as wasteful and unethical the vile reduction of the fees thereof established;

4. It is recommended by CENP that negotiation freedom provided in item 3.11.2, letters "b" and "c" are in place only when the gross annual media investment of the one who hires the services is equal to or greater than R\$ 2,500,000.01, the minimum Progressive System of Services / Benefits established by item 6.4 of the Standard Norm for the Advertising Activity;

5. The current Regulatory Communication aims to answer questions submitted by CENP-certified agencies and client - advertisers and contributes to maintain the balance in business relationships between the parties mentioned.

Petrônio Corrêa
President

Note: The following text was freely translated into English and is valid for all legal purposes the original version in Portuguese.

Entidades Fundadoras



Av. Paulista, 2073 - 6º andar - Ed. Horsa II - CEP: 01311-940

São Paulo - SP

Tel.: (11) 2172-2367 - Fax : (11) 2172-2381