



Market Sounding Round Table Mandates for PPP Advisors to the State R4 expressway

Ministry of Transport, Strategy department

State Fund for Transport Infrastructure



Structure of presentation

- › Possibility for implementation PPP on expressway R4
- › Context of advisory tender with current situation
- › Advisory tender overview
- › Tender's key terms and conditions (presentation and discussion)
- › Conclusions (next steps)



Possibility for implementation PPP on R4

- ▶ R4 expressway connecting Prague with south-west Bohemia region
- ▶ From planned 84 km is 47 km in operation, 4.8 km under construction and **32 km remains to be built.**
- ▶ Approved positive CBA – rest of R4 should be build as one stretch
- ▶ Limited options for using EU funds (non TEN-T)
- ▶ All zoning permits issued, land acquisition ongoing, documentation for building permits is treated (ongoing communication with state authorities)
- ▶ **D**esign **B**uild **F**inance **O**perate **M**aintain model (design limited)



Context of advisory tender with current situation

- ▶ Outline Business Case (Public Sector Comparator) ongoing
- ▶ Decision of government whether to procure R4 as a PPP or not estimated during 10/2015 (decision based on the results of OBC / PSC mainly)
- ▶ Prior information notice published (national journal and also in TED)
- ▶ Advisory tender planned to be launched formally between July/August 2015 – before the government decision
- ▶ There will be rights to cancel the tender or the signed contract set up for the case, when the government decide to don't procure R4 as PPP



Advisory tender overview

- ▶ Consortium of legal, financial and technical advisors will be sought
- ▶ Estimated price max. 75 mil. CZK exclude VAT (**2,75 mil. EUR**)
- ▶ Advisory services for all phases needed to achieve financial close of the project for the fixed price (monthly billing possible)
- ▶ Possibility for state to use the limited amount of advisory services after the financial close (at fixed set up prices)
- ▶ Open „one-round“ tender (qualification and bid together)
- ▶ Estimated beginning of the advising – 11/2015



Tender's key T&C #1 – consortium

- ▶ Lead advisory role of the companies included in consortium in appropriate PPP project will be required for each advisory role (L,F,T)
- ▶ Lead advisory for each role (L, F, T) for the public sector will be required
- ▶ Threshold for participation – 1,8 mil. CZK (70k EUR, 2,5% of EV)
- ▶ Capped limited liability – 3x contract value
- ▶ Subcontractors – all subcontractors has to be shown in the bid



Q: Tender's key T&C #1 – consortium

- ▶ 1.1 Does the financial threshold for participation represent an obstacle for the participation of your company / consortium in the tender?
- ▶ 1.2 Can your company / consortium agree the capped limited liability in the proposed extent? (3x contract value)
- ▶ 1.3 Does the condition to list all subcontractors has in the bid sound as a reasonable condition for your company / consortium?
- ▶ 1.4 Does the extent of requirements on reference projects represent an obstacle for the participation of your company / consortium in the tender?



Tender's key T&C #2 – experts

- ▶ Min 1 key expert with leading advisory experience role in appropriate PPP project which reach the financial close after 2010 for each role (L,F,T) – EN
- ▶ Min 2 key experts with advisory experience role in approp. PPP project which reach the financial close after 2010 for each role (L,F,T) – EN
- ▶ Min 2 key experts with high knowledge and experience from the Czech environment (not PPP projects necessary) for each role (L,F,T) – EN, ČJ
- ▶ Availability of the key experts on „daily“ base in Prague, key experts participation will be strictly required
- ▶ Support team will be enabled (appropriate university, min. 3 years of adequate experience, EN (ČJ))



Q: Tender's key T&C #2 – experts

- ▶ 2.1 Are the requirements for the expert team composition reasonable in relation to the subject of the tender?
- ▶ 2.2 Does the requirement of „daily“ availability of experts represent an obstacle for your participation in the tender?
- ▶ 2.3 Does the language requirement in connection with the required experience of the key experts represent an obstacle for your participation in the tender?



Tender's key T&C #3 – languages

- ▶ All advising outputs will be presented in Czech language, Czech language serve as official one, during meetings the Czech language with translation to/from English will be preferred (translation according to needs is in the response of advisors)
- ▶ Direct English communication during meetings enabled only if everyone agrees
- ▶ The main tender documents planned to be published also in English, but the Czech version will be binding
- ▶ Reference projects confirmation and CVs planned to be possible to present in English language in bids, rest of bid have to be in Czech language



Q: Tender's key T&C #3 – languages

- ▶ 3.1 Does the requirement to submit the bid in Czech language represent a barrier for your participation in the tender?
- ▶ 3.2 Does the requirement to communicate in Czech language during the advisory activity represent a barrier for your participation in the tender?



Tender's key T&C #4 – evaluation of bids

- › Price of the bid can be, but can't necessary be, the only criterion
- › Public procurement Act enables to use the criterion of 3E (economy, efficiency, effectiveness) to evaluate the bids
- › The price of the bid still have to be majority criterion
- › Other criterion can be evaluation of methodology approach of the consortium to fulfil all the requirements needed to reach the financial close
- › Other criterion can be evaluation of experience of the experts involved in the advisory team



Q: Tender's key T&C #4 – evaluation of bids

- ▶ 4.1 Do you prefer the evaluation model including the 3E criterion and evaluation of experience of the key experts?



Tender's key T&C #5 / Other issues to be discussed?



Thanks for your participation

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