Achieving Competition and Best Value

- Assessment of Market ability and capacity to deliver the project
- Assessment of the likely level of competition (bidder numbers)
- Market appetite for project given specifics:-
  - Risk levels and allocation
  - Levels of Government funding
  - PPP Procurement process idiosyncrasies
  - Past PPP track record of the Public Sector client
- Demonstration of Project Team reputation and skills
- Demonstration of Govt. commitment to the process
- Commencement of trust building with the market
Ongoing management of contract working in partnership

Prequalification

Short-listing (interviews)

RfP (Tendering)

BaFO

Preferred Bidder

Service

Notice to Market / Open day

Advertisement of the project to the market

Test bidders technical capability and financial and economic standing

A means of reducing list of pre-qualified bidders to a manageable number for tendering

RfP issued to 3 or 4 bidders – seeks detailed proposals for the project

BaFO typically sought from no more than 2 bidders – focuses on refinement of RfP bid

Preferred Bidder selected for limited final negotiation

Financial Close

Ongoing management of contract working in partnership

Increasing cost / scope certainty
What is needed to attract investment?

- Stable political environment and clear tax regime
- Clarity of regulatory and legal environment
- Transparent procurement and evidence of public sector capacity
- Involvement of experienced professional advisors on Govt. side
- Track record of engagement with private sector – flow of ‘deals’
- Financially strong and proven sponsors and developers
- Experienced operators and maintainers
- Robustness of cash flows and prospects of an investment return
- Liquidity (breadth/depth) in financial market
- Proven independent risk advice for lenders (technical, legal, financial)
- Sponsor and/or government support for termination events
Interactive Tendering and Tender Evaluation Process

- Bidder exposure to end users and key stakeholders
  - Understanding the vision and need
  - Responding to parameters
  - Testing solutions prior to finalisation
- Stakeholder ‘coaching’ to ensure fairness
- Coordination of interactions – engagement planning
- Identification of stakeholder group representatives
- Agreement on evaluation panel members, duties and timescales
- Selection of panel chairs, responsibilities and communication routes