

P0009-Scope

The rapidly growing in a variety of countries PPP sector has demonstrated its efficiency. Multiple experience of implementation of PPP projects, at this point in time, could be utilised for provision of assistance to countries which have not enjoyed the benefits that contemporary PPP models can offer. The project will deal with issues related to the domain of PPP procurement and collect and analyze different models of PPP procurement systems in countries where the most successful practices have been used and and prepare a set of well-structured, comprehensive universal recommendations. The project will also have a particular focus on current deal-breakers and existing problems of the PPP procurement sector (elaborate on the problems).

The project will focus on procurement principles and processes in order to attempt to prepare a universal guiding standard/ recommendations that governments will voluntary use as a framework for development of their national PPP procurement strategies.

Principles

This will address the selection of a bidder that should be selected by means of a transparent, neutral and non-discriminatory process that promotes competition and strikes a balance between the need to reduce the length of time and cost of the bidding process and acquisition of the best possible proposal.

- *Transparency* refers to the openness of procurement policies and practices. The basis for proposal evaluation should be made public.
- *Neutrality* refers to clear, specific and predictable rules that do not provide scope for discretion and prevent and conflict of interest and provide a means of compliant and monitoring the implementation of the rules.
- *Non-Discrimination* refers to all fair and equal treatment of all economic entities, public and private, foreign and domestic in the competition for PPP contract.

Such issues as transparent pre-selection of bidders, due diligence of bidders and governments, communication of results of selection both to winning and losing bidders (with a clear explanation of reasons), appointment of an independent observer for the selection process will be addressed. Along these lines, a proper consideration shall be given to anticorruption issues and measures (elaborated by the project team on zero tolerance to corruption in PPPs).

Checklist of issues/processes to be addressed

This section will attempt to examine PPP procurement as an integrated process of procuring goods and services through PPPs. It begins when a need has been identified and decision shall be made on procuring strategy. Afterwards the procurement continues with the process of risk assessments, evaluation of alternative solutions, preparation and undertaking of a competitive tender, award of a contract and its subsequent management. The guidance will be provided under the following segments:

- Overall legal and regulatory framework;
- Selecting and preparing projects for the market (needs analysis, cost-benefit analysis/ value for money, risk identification and allocation, market assessment, project documents, unsolicited proposals);
- Managing procurement (project launch, bidder conference, prequalification, competitive negotiation or dialogue, request for proposals, evaluation and value for money report, selection of final or preferred bidder, lender's due diligence, confirmation of the winning bid, financial closure);
- After contract award.

The following key challenges, *inter-alia*, in PPP procurement will be properly addressed: the reasonable balance between reliability of the procurement process and the amount of necessary funds to cover its implementation, ways to avoid long bureaucratic timeframes for decision making and between stages of PPP procurement, cancelled or delayed procurements, and elimination of a possibility of too many over watching agencies with overlapping mandates.