

THE DECISION-MAKING PROCESS DURING THE PPP LIFECYCLE SHALL ENTAIL THE FOLLOWING STAGES AND APPROVALS REQUIRED THEREOF:

“The PPP Committee is mandated to make decisions and grant all required approvals”

THE PPP FEASIBILITY STUDY STAGE is a critical input to the PPP procurement stage. This stage is not a theoretical exercise to obtain Transaction Approval 1. Instead, each element of the PPP feasibility report closely ties in with PPP procurement stages. The stronger the relationship between the PPP feasibility and PPP procurement stages, the greater the likelihood of achieving a genuine VfM PPP. Thus, the output of this phase is the PPP Feasibility report that will form the basis to obtain Transaction Approval 1. The Line Agency may choose to appoint a TA to conduct the feasibility study, on the basis of the ToR developed in the Preliminary Study stage. The purpose of the Feasibility Study is to investigate authentically and in detail whether the project is a desirable, viable and an achievable investment, given that such a decision is likely to have long-term implications starting from the choice of the procurement option.

TRANSACTION APPROVAL - 1 “Investment decision and decision to go ahead with the procurement by PPP Committee”

Obtain Transaction Approval - 1; Once the Feasibility Report has been prepared by the Transaction Advisor (TA) and reviewed, the Line Agency (Public Entity) should approve the Feasibility Report, and thereafter submit it to the PPP Committee through the PPP Unit for obtaining “Transaction Approval – 1”. The PPP Committee may request the Line Agency to make a presentation on the report submitted. This presentation shall include an executive summary of the findings, analysis and highlights of the Feasibility Study.



THE PPP PROCUREMENT PROCESS begins after Transaction Approval 1 is obtained and its key aspect is selection of a private concessionaire for undertaking the PPP project that is under development. The process shall aim to minimize the complexity, duration and costs to both the government and private parties, while facilitating strong competition for the project in order to obtain the best Value for Money (VfM). In case of PPP procurement, distinct stages and associated approvals are at play including the following:

1. Request for Qualification (Transaction Approval 2A);
2. Request for Proposals and Draft PPP Agreement (Transaction Approval 2B);
3. Approval of evaluation and selection of preferred bidder (Transaction Approval 3);
4. Approval after negotiation and award of contract to the preferred bidder (Transaction Approval 4);



TRANSACTION APPROVAL - 2A: “Approval of the pre-qualification criteria and Request for Qualification (RFQ)”

Obtain Transaction Approval 2A; on preparation of the draft RFQ, the Line Agency shall submit it to the PPP Committee for its review. Thereafter, any revisions of the RFQ document, suggested and satisfactorily dealt with shall enable finalization of the RFQ document and lead to Transaction Approval 2A. The document shall also be submitted in parallel for other relevant approvals that may apply to the particular Line Agency. On obtaining all approvals the Line Agency will be ready to release the RFQ.

TRANSACTION APPROVAL - 2B: “Approval of the Request for Proposal (RFP) and draft PPP Agreement”



Obtain Transaction Approval - 2B; Once the RFP document is prepared along with the draft PPP Agreement (a checklist to facilitate preparation of a PPP Agreement is available at Annexure 1 of PPP Guideline Manual), the RFP shall be submitted by the Line Agency to the PPP Committee for assessment and approval. Upon satisfactory review of the RFP document, the PPP Committee shall grant Transaction Approval 2B to the Line Agency. At this stage, any changes to the original PSC, project scope and objectives or departures from previously agreed commercial principles shall be highlighted in the RFP. Only subsequent to obtaining the Transaction Approval 2B, can the RFP document be released to qualified bidders.

TRANSACTION APPROVAL - 3: “Approval of the evaluation and selection of the private sector” and



Obtain Transaction Approval - 3; the proposal evaluation reports along with relevant supporting documents and recommendation of a preferred bidder shall be submitted to the PPP Committee for obtaining Transaction Approval 3. The Line Agency must receive the Transaction Approval 3 from the PPP Committee before it proceeds with final negotiations and settlement with the selected preferred bidder.

TRANSACTION APPROVAL - 4: “Approval after negotiation and of the Project Award”



Obtain Transaction Approval - 4; Transaction Approval 4 is required after negotiations but before signing of finalised PPP agreement with the Preferred Bidder. The Line Agency should have obtained Transaction Approval 3 before proceeding to apply for Transaction Approval 4. Documentation for this level of approval shall highlight any material changes to commercial or technical contours of the project that may have taken place since obtaining Transaction Approval 3.