

TEMPLATE

REQUEST FOR PROPOSAL (RFP) FOR PPP PROJECTS

Sample Table of Contents

- Introduction
 - Background
 - Brief description of the bidding process
 - Schedule of the bidding process
- Instructions to Bidders
 - General
 - General terms of bidding
 - Change in composition of bidding consortium
 - Change in ownership
 - Cost of bidding
 - Site visit and verification of information
 - Right to accept or reject any or all bids
 - Documents
 - Contents of the RFP
 - Clarifications
 - Amendment of RFP
 - Preparation and submission of bids
 - Format and signing of bids
 - Sealing and marking of bids
 - Bid due date
 - Late bids
 - Contents of the bid
 - Modification/ substitution/ withdrawal of bids
 - Rejection of bids
 - Validity of bids
 - Confidentiality
 - Correspondence with bidders
 - Bid security
- Evaluation of bids
 - Opening and evaluation of bids
 - Tests of responsiveness
 - Selection of bidder
 - Contacts during bid evaluation
- Fraud and corrupt practices
- Pre-Bid conference
- Miscellaneous
- Appendices
 - Letter comprising the bids
 - Bank Guarantee for bid security
 - Power of Attorney for signing of bid
 - Power of Attorney for lead member of consortium
 - Guidelines for disinvestment

Source: Model Request for Proposal document issued by the Ministry of Finance, Government of India

TEMPLATE

CONCESSION AGREEMENT

Sample Table of Contents

Model Concession Agreement for National Highways in India

Part I: Preliminary

- Recitals
- Definitions

Part II: The Concession

- Scope of the Project
- Grant of Concession
- Conditions Precedent
- Obligations of the Concessionaire
- Obligations of the Authority
- Representations and Warranties
- Disclaimer

Part III: Development and Operations

- Performance Security
- Right of Way
- Utilities, Associated Roads and Trees
- Construction of the Project Highway
- Monitoring of Construction
- Completion Certificate
- Entry into Commercial Service
- Change of Scope
- Operations and Maintenance
- Safety Requirement
- Monitoring of Operations and Maintenance
- Traffic Regulation
- Emergency Medical Aid
- Traffic Census and Sampling
- Independent Engineer

Part IV: Financial Covenants

- Financial Close
- Grant/ (or Premium)
- Concession Fee
- User Fee
- Revenue Shortfall Loan
- Effect of Variations in Traffic Growth
- Construction of Additional Toll way
- Escrow Account
- Insurance
- Accounts and Audit

Part V: Force Majeure and Termination

- Force Majeure
- Compensation for Breach of Agreement
- Suspension of Concessionaire's Rights
- Termination
- Divestment of Rights and Interest
- Defects Liability and Termination

Part VI: Other Provisions

- Assignment and charges
- Change in Law
- Liability and Indemnity
- Rights and Title over Site
- Dispute Resolution
- Disclosure
- Redress for Public Grievance
- Miscellaneous

TEMPLATE

PRELIMINARY PROJECT ASSESSMENT FORM

SN	PARTICULARS	DETAILS (TO BE FILLED IN BY THE MDA)																		
	Project name	Provide the name of the Project																		
	MDA name	Provide the name of the MDA acting as the procuring entity																		
	Brief description of the project	Provide a description of the project including location, capacity, size etc.																		
	Project being implemented under which MDA	Provide the Line Ministry under which the project is implemented																		
	Objective of the project and expected outcomes	The objective for pursuing this project and the outcomes expected are to be provided here																		
	Technical feasibility	The MDA's preliminary view on the technical feasibility of the project. Successful precedent of similar projects may be included here																		
	Legal framework	The MDA's view on the legal framework for the implementation of the project																		
	Project impact and suitability	The MDA's preliminary view on the likely impact of the project on the environment and community, as well as social acceptability and public benefits of the project. Long-term impact on the goals and position of the MDA. Please add more details as an annexure to this form.																		
	Brief description of social and community requirements	Please add more details as an annexure to this form																		
	Estimated capital expenditure	This should be a preliminary estimate and need not be a detailed calculation.																		
	Estimated O&M expenditure over the asset life in present value terms	This should be a preliminary estimate and need not be a detailed calculation. The projected O&M expenditure over the asset life should be discounted to arrive at the present value.																		
	Estimated investment	Summation of Capital Expenditure and Present Value of O&M Expenditure																		
	Revenue generating potential	State the various sources of revenues for this project. If available, also include the preliminary annual expected revenues																		
	Proposed means of financing	State the various proposed means of financing the project, indicative proportions and amount. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th align="left">Source</th> <th align="left">Proportion (%)</th> <th align="left">Amount (Naira Mn)</th> </tr> </thead> <tbody> <tr> <td>Private Sector</td> <td></td> <td></td> </tr> <tr> <td>MDA</td> <td></td> <td></td> </tr> <tr> <td>Government of Nigeria</td> <td></td> <td></td> </tr> <tr> <td>Any other (Specify)</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </tbody> </table>	Source	Proportion (%)	Amount (Naira Mn)	Private Sector			MDA			Government of Nigeria			Any other (Specify)			Total		
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Private Sector																				
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Total																				
	Estimated project IRR (Internal Rate of Return) (where developed)	If estimation of returns is very difficult at this stage then, do not include at this stage.																		

NIQS WORKSHOP: FINANCE AND DEVELOPMENT OF CAPITAL PROJECTS – EMERGING SOLUTIONS AT WESTOWN HOTEL, OPEBI, IKEJA, LAGOS 5TH & 6TH JULY, 2017
APPENDIX II (TEMPLATES FOR PPP PROJECTS)

Key risks envisaged	The key risks identified for this project should be provided under this section.
Does the preliminary assessment show that the project is suitable for PPP	Reasons and necessity for involving Private Sector in the Project and analysis of suitability of alternative models of project delivery. Roles of MDA and Private Sector.
Estimated project development expenses (Naira)	

Signature and seal

Name of the authorized signatory:

Designation of authorized signatory:

Name of the MDA:

Date:

SAMPLE TEMPLATE FOR
OPTIONS ANALYSIS FOR PPP PROJECTS

SR. NO.	SECTION	DESCRIPTION
1	Executive Summary	This section should provide a summary of the findings of the options analysis. Sufficient information should be included to allow key decision-makers to understand the issues and the rationale for the selected short-listed options. Necessary clarification of the implications of the proposed initiative should also be specified.
2	Description of service requirements	This section provides a description of service requirements.
3	Project functions, objectives and critical success factors	This section provides a description of the Project functions, objectives and critical success factors.
4	Alignment with strategic objectives	This section provides a description of the strategic objectives of the parties.
5	Stakeholder identification	This section provides a description of the stakeholders involved.
6	Options Analysis	<p>The range of feasible possibilities that should be considered. A qualitative description of the advantages and disadvantages may be used to assist in evaluating the options.</p> <p>For major project proposals, risk-adjusted estimates (of revenue, costs, duration and benefits) need to be applied to address project characteristics, level of knowledge and degree of confidence in the estimates.</p> <p>In completing the template, the following criteria must be considered: Options would generally include: Base Case (do nothing) minimal approach non-asset solutions, for example, these may include: demand management, service transformation, optimising existing operations or asset use, alternative maintenance strategies, re-investment in replacement/renewal, enhancement of existing infrastructure investment in new assets.</p> <p>The evaluation of options would include: rating of achievement of project objectives; rating of achievement of strategic objectives; capital cost (present value) (including confidence levels); recurrent costs (including confidence levels); potential revenues (including confidence levels); environmental benefits; social benefits and where these benefits are distributed key assumptions and risks; timing of service delivery and the risks associated, should the project not proceed.</p>
7	Project Delivery Alternatives	For each of the proposal options, all appropriate project delivery approaches should be considered. These may range from traditional procurement to design-construct or PPP Project delivery, depending on the nature of the investment proposal.
8	Preliminary Risk Assessment	For each option, a high-level analysis of potential risks is required to estimate their likelihood and consequences and determine the risk level. The highest-ranking risks should be listed in the options assessment along with potential cost implications and indicative risk reduction strategies.
9	Preferred Option	Based on the options analysis and the preliminary risk assessment a prioritised short-listing of options and any clear preferred option for further analysis is provided. Reasons for the preferred option or prioritised

		short-listing should be documented, including key assumptions made, the details of the ranking process and the assessment criteria. The preferred timing and sequencing for the project should also be documented.
10	Actions to progress to business case	Actions required to further progress the proposal should be listed. This may include: further iterations of the options analysis; determining the impacts of deferring the project; issues to be specifically addressed in the business case; timeframe required to develop the outline business case and further the full business case; further studies for addressing information gaps.
11	Supporting Documents	All documentation that supports the finding of the options analysis

TEMPLATE

SAMPLE TABLE OF CONTENTS FOR THE OUTLINE BUSINESS CASE

EXECUTIVE SUMMARY

This summary provides the following information –

- Current service provision, if applicable and future requirements;
- A summary of the full list of options;
- A summary of the options selection procedure and the options chosen for detailed examination;
- A summary of the comparative findings and justification for the preferred option; and
- Highlights of the implementation plan

PART A: FEASIBILITY ASSESSMENT

▪ **Project Background**

This section provides a background on the project location, type of infrastructure, the MDA, previous studies undertaken, and previous approvals received etc.

▪ **Strategic Needs Assessment, Demand Assessment and Project Scoping**

This section analyses current and future needs. An analysis of the user’s needs is included. The following issues are addressed –

- Existing or envisioned service gaps;
- Key stakeholders and their requirements; and
- Consultation plan with key stakeholders to ensure that the project remains relevant.

Assessment of demand is also included in this section. Project scoping Component determines and defines the scope of the project, outlining the services to be delivered.

▪ **Service Standard – Output and Services**

This section translates the needs identified in the previous step into specific outputs. The following issues should be addressed –

- Impact of the proposed project on the service gaps identified above and overall objectives the project aims to achieve;
- Outputs expected from the project, stated in measurable and quantifiable terms as far as possible;

- Support service outputs (the outputs that are not the key drivers of the projects, but have potential to enhance the project's Value-for-money); and
- Relevance of the project to the MDA's long-term strategic goals and overall national development plan.

▪ **Market Assessment**

Once the project outputs have been specified, assessment of the market potential can commence. The purpose of market assessment study is to assist the MDA in deciding how to design, and deliver the project. The study may address the following elements –

- Description of the industry;
- Current market analysis (current offerings, market players and their capability and appetite);
- Competition (alternative service and product offerings);
- Anticipated future market potential;
- Potential market players and sources of revenues; and
- Demand projections.

▪ **Technical Feasibility**

This component details how a project can be delivered (i.e., outline technical solution). The study addresses the following elements

- Field surveys of the project site, which may include (depending on the project) mapping, topographical and geotechnical surveys;
- A preliminary technical design of facilities required to provide the project outputs. This should consider alternative design options, taking into account uncertainty in the demand projections and other site-related uncertainties.
- Materials and other inputs requirements;
- Alternatives (such as those involving usage of existing assets for the project, rather than creating new ones; or achieving the desired outputs by some means other than the proposed solution) and their assessment in relation to the possibility of achieving the targets of the project; and
- Capital Expenditure cost assessment and Operating and Maintenance cost assessment based on the components of the preliminary technical design.

▪ **Financial Feasibility**

This component provides an estimate of project costs based on recommended technical solution and identifies possible financing solutions. The study addresses the following elements:

- Project costs (initial and replacement capex, cost of upgrades, opex);
- Start-up capital;
- Sources of financing;
- Potential revenues;
- Estimated returns; and
- Consulting costs

▪ **Environment Impact**

This section examines environmental considerations, including details of any environment impact study conducted.

▪ **Legal Framework**

This component examines the suitability of existing legislative environment for the execution and running of the project, as well as any licenses or requirements that potential service providers need to comply with.

- The study should address the following elements –
- Appraisal of current legislative environment in relation to requirements of the project;
- Assessment of required amendments to the current legislation;

- Legal requirements for the proposed market and organisational structure; and
- Other legal issues that may inhibit / prevent the development of the project

▪ **Stakeholder consultation findings and public interest evaluation**

This component states the findings of the consultation process with the various stakeholders including but not limited to –

- Users;
- Developers;
- Community participants;
- Citizens likely to be affected;
- Financers; and
- Other relevant government authorities

▪ **Conclusion and Recommendations on Feasibility Assessment**

This component details the key conclusions and recommendations on the Feasibility Assessment.

PART B: STRUCTURING

▪ **Risk Assessment**

This section identifies all material risks associated with the project, specifying the external and project development risks for the MDA, the project risks to be allocated to the Private Sector and those to be retained by the MDA.

▪ **Key Commercial Principles and Payment Mechanisms**

This section details the key commercial principles for the PPP project. These commercial principles include among other principles, the payment mechanisms, relief, compensation and force majeure events, default events, termination payments, the MDA's step-in, cure rights, insurance etc.

▪ **Public Sector Comparator (PSC) and Shadow PPP Bid Model**

This section states the reference project and details the computation of the Public Sector Comparator and Shadow Bid Model.

▪ **Option analysis, Value-for-money and recommendations**

This section identifies delivery options available for the development of the project, provides evaluation of these options and recommends the preferred one, based on the evaluation criteria specified.

▪ **Evaluation Criteria for selection of Private Sector**

This section details the evaluation criteria for selection of the Private Sector. The evaluation criteria may either be on a Least Cost Approach or on a Quality cum Cost Based Selection (QCBS).

▪ **Implementation Plan**

This section details the activities and timelines during the project development period. It also states the person or entity responsible for each activity.

▪ **Project resource requirement**

This section details the resources required during and after the project development period.

▪ **Conclusion and Recommendations on Structuring**

This section details the key conclusions and recommendations on the Project Structuring.

Appendixes (other supporting documents)

Any supporting documents are included in the section like Detailed Projected Financial Statements, Detailed Environment Impact Assessment Study, Detailed Technical Report, Detailed review of legal framework, etc.

TEMPLATE FOR FEASIBILITY STUDY CHECKLIST

SN	PARTICULARS (TICK “Ü” THE APPLICABLE BOX)	PROVIDED	NOT PROVIDED	NOT APPLICABLE
1	General			
1.1	Name of the Project			
1.2	Type of PPP (BOT, BOOT etc.)			
1.3	Location (Province/District/Town)			
1.4	Responsible Ministry/Department			
2	Project Description			
2.1	Brief description of the project			
2.2	Justification for the Project			
2.3	Possible alternatives, if any			
2.4	Estimated capital costs with break-up under major heads of expenditure also indicate the basis of cost estimated			
2.5	Phasing of investment (if required)			
3	Financing Arrangements			
3.1	Sources of financing (equity, debt, mezzanine capital etc.)			
3.2	Indicate the revenue streams of the Project (annual flows over project life). Also indicate the underlying assumptions			
3.3	Indicate the Net Present Value (NPV) of revenue streams with appropriate discounting			
3.4	Who will fix the tariff/user charges? Please specify in detail			
3.5	Have any financial institutions been approached? If yes, their response may be indicated			
4	IRR			
4.1	Economic IRR (if computed)			
4.2	Financial IRR (project and equity), indicating various assumptions			
5	Clearances			
5.1	Status of environmental clearances			
5.2	Clearance required from the MDA and other local bodies			
5.3	Other support required from the MDA			
6	Government of Nigeria Support			

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6.1	Viability Gap Funding, if required			
6.2	Government of Nigeria guarantees being sought, if any			
7	Concession Agreement			
7.1	Term sheet of the proposed Concession Agreement			
8	Criteria for short listing at RFQ stage			
8.2	Indicate the criteria for short listing			

TEMPLATE: CONCESSION AGREEMENT CHECKLIST

SN	PARTICULARS (TICK “Ü” THE APPLICABLE BOX)	PROVIDED	NOT PROVIDED	NOT APPLICABLE
1	General			
1.1	Scope of the Project			
1.2	Nature of Concession to be granted			
1.3	Period of Concession and justification for fixing the period			
1.4	Estimated capital cost			
1.5	Likely construction period			
1.6	Conditions precedent, if any, for the concession to be effective			
1.7	Status of land acquisition			
2	Construction and O&M			
2.1	Monitoring of construction; whether an independent agency/engineer is contemplated			
2.2	Minimum standards of Operation and Maintenance			
2.3	Penalties for violation of prescribed O&M standards			
2.4	Safety related provisions			
2.5	Environment related provisions			
3	Financial			
3.1	Maximum period for achieving financial close			
3.2	Nature and extent of capital grant/VGF contemplated			
3.3	Bidding parameter (capital grant or other parameter)			
3.4	Provisions for change of scope and the financial burden thereof			
3.5	Concession fee, if any, payable by the Concessionaire			
3.6	User charges to be collected by the Concessionaire			
3.7	Indicate how the user charge is to be determined; the legal provisions in support of user charge; and the extent and nature of indexation for inflation			
3.8	Provisions, if any, for mitigating the risk of lower revenue collection			
3.9	Provisions relating to escrow account, if any			

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3.10	Provisions relating to insurance			
3.11	Provisions relating to audit and certification of claims			
3.12	Provisions relating to assignment/substitution rights relating to lenders			
3.13	Provisions relating to change in law			
3.14	Provisions, if any for compulsory buy-back of assets upon termination/expiry			
3.15	Contingent liabilities of the MDA			
3.15a	Maximum Termination Payment for the MDA’s default			
3.15b	Maximum Termination Payment for Private Sector default			
3.15c	Specify any other penalty, compensation or payment contemplated under the agreement			
4	Others			
4.1	Provisions relating to competing facilities, if any			
4.2	Specify the proposed Dispute Resolution Mechanism			
4.3	Specify the proposed governing law and jurisdiction			

TEMPLATE: COMMERCIAL CASE CHECKLIST

SN	PARTICULARS (TICK “Ü” THE APPLICABLE BOX)	YES	NO	UNSURE
1	Is the project expected to achieve a satisfactory rate of return?			
	Explanatory Notes			
2	Are projected financing ratios satisfactory?			
	Explanatory Notes			
3	Is the project likely to achieve Value-for-money (VFM)?			
	Explanatory Notes			
4	Are the project outputs, services levels and performance requirements clearly specified?			
	Explanatory Notes			
5	Are credible proposed financing arrangements in place?			
	Explanatory Notes			

TEMPLATE: RISK MANAGEMENT CHECKLIST

SN	Particulars (Tick “ü” the applicable box)	Yes	No	Unsure
1	Have all major risks been identified, understood and evaluated?			

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	Explanatory Notes			
2	Are risk management plans in place?			
	Explanatory Notes			
3	Are approvals processes and clearances being addressed?			
	Explanatory Notes			
4	Are environmental and social issues being addressed?			
	Explanatory Notes			
5	Are land acquisition issues being addressed?			
	Explanatory Notes			