



**UNITED NATIONS**

**ECONOMIC COMMISSION FOR EUROPE**

**PPP PROCUREMENT STANDARD**

**Seventh session of the  
Team of Specialists on PPPs**

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7<sup>th</sup> Session TOS PPP UNECE

## GENERAL

### *Background and rationale*

Summarise best procurement practice established in PPP institutions and states around the world to try to overcome known issues

The standard will target developing and newly developed countries, giving them important legislative guidance for a more transparent and investor-friendly approach to PPP procurement

This work is critical for Russia and many other CIS governments – although PPP schemes are widely used in these countries

The standard and supporting documentation are being developed by a dedicated international panel but any PPP expert from any country can join in

## GENERAL

### *Scope and effect*

The standard aims at covering key procurement phases

- Project development
- ProjCo appointment process

The standard is intended to apply to infrastructure PPP projects of higher significance, measured on the basis of various factors:

- Capex
- Access to public funds
- Potential for involvement of cross-border technologies and/or financing
- Number of people that may be affected by the project
- Potential risks to the environment and natural habitats

The standard will not be binding until it is declared as such by a government

Draft international treaties will also be developed by focal groups

- instances when the standard must be applied and when a standard may be applied
- a process to confirm that a project passes these criteria and, if it does, steps to guide it forward
- provisions on foundation of a supranational institution

## FIRST VIEW ON SPECIFICS

### *Project development requirements*

#### Publicity

- An Internet page shall be created for each individual project
- Governments must release an information memorandum and conduct a project road show
- Feedback from a representative group of potential bidders, contractors and financiers shall be sought before RFQ/RFP is published. Response should be documented and published
- A public side client should liaise with potential investors utilising a limited set of email addresses. These email addresses shall be acknowledged to general public and be fully accessible to independent experts and auditors

#### Conflicts of interest

- Bidders will not be allowed to act as subcontractors (of any level) to a winning bidder
- Advisers will not be allowed to act on public and private sides
- A financial adviser (and its affiliates) will not be permitted to act as a lender
- Disclosure and investigation procedures, blacklisting and other best practice conflicts of interest provisions will be incorporated

#### Public and expert control

- Ground survey, environmental survey and a social comfort survey shall be conducted according to international standards before a procurement process begins. The public side shall demonstrate how it had modified the project to address the survey results
- Any draft document which the public side expects to release, sign or approve shall be examined by an independent auditor

## FIRST VIEW ON SPECIFICS

### *Appointment process requirements (1/4)*

Open competitive tender shall be the preferred procurement method unless there are compelling reasons why a different method should be selected



**Choice of  
procurement  
method**



Public side may invoke non-competitive procurement (including competitive dialogue etc)



Procurement rules must not discriminate foreign companies and individuals. Exceptions:



**General  
requirements  
applicable to all  
procurement  
methods**



Bid bond requirements must be reasonable – not to limit competition



All negotiations with preferred bidder(s) shall be video recorded and be accessible to other tender participants. During negotiation parties may not, to the benefit of a preferred bidder(s)



Individual meetings between public sector and selected investors



The standard will promote bidders' access to fast track dispute resolution utilising a specialized independent PPP adjudication board

## FIRST VIEW ON SPECIFICS

*Appointment process requirements (2/4)*

*Tender requirements*

### Pre-qualification requirements

Shall be broad enough to be satisfied by at least four independent companies operating in different regions

Can deliberately limit competition to three to six participants in an event a project capex is above certain threshold and pre-qualified bidders are required to present a fully elaborated technical (design) solution as part of their bid. Other requirements will include:

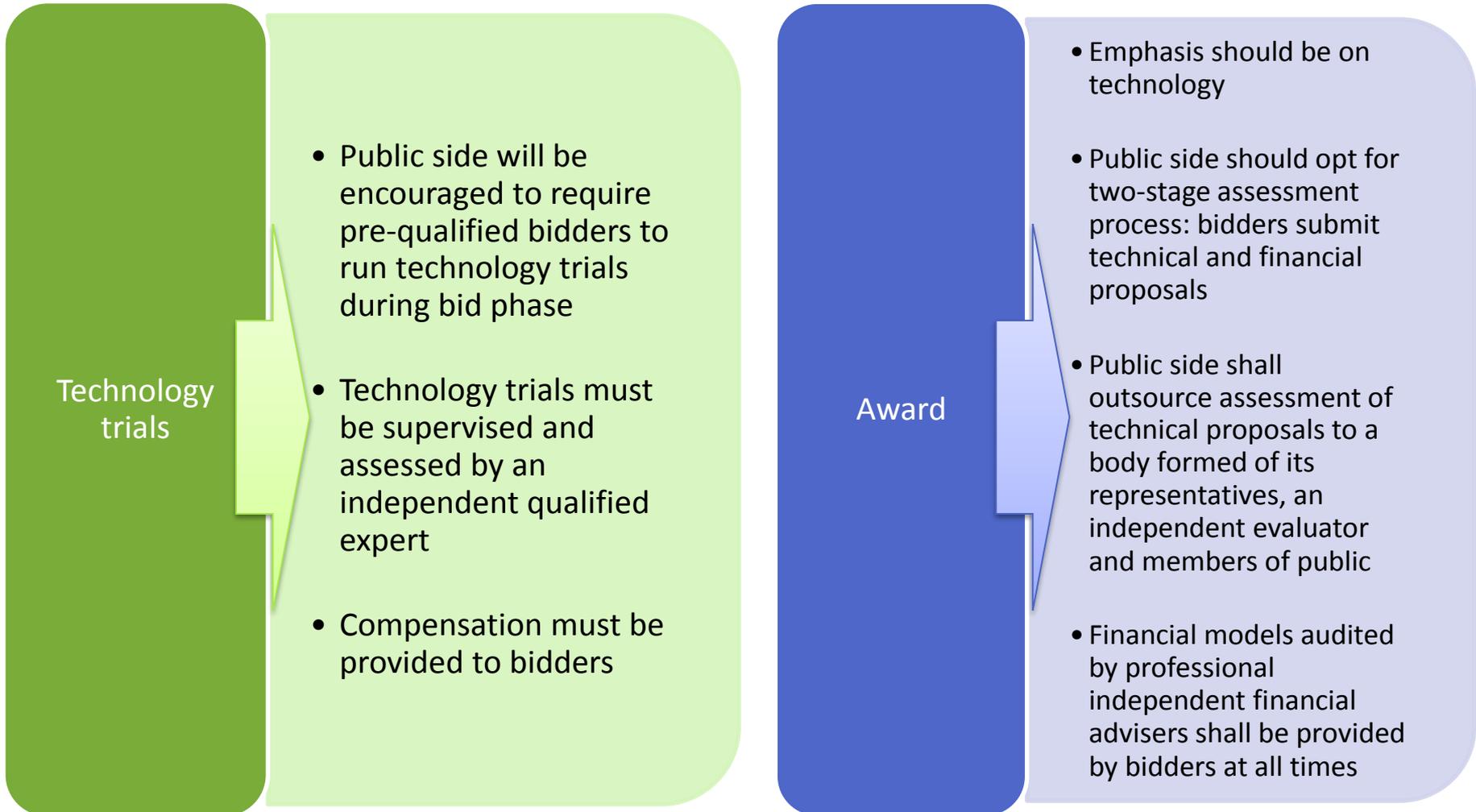
For lower profile projects PQ stage shall be avoided

Tender documentation may not be materially altered after applicants submit PQ applications

## FIRST VIEW ON SPECIFICS

### *Appointment process requirements (3/4)*

#### Tender requirements



## FIRST VIEW ON SPECIFICS

*Appointment process requirements (4/4)*

*Tender requirements*

**Tender cancellation**

Cancels a tender after PQ stage, it must compensate all pre-qualified bidders' reasonable costs (up to a certain reasonable threshold) incurred as part of their preparation to submit the bid

Decides not to conclude an agreement with the winning bidder, it must compensate the winning bidder's reasonable costs (up to a certain reasonable threshold) associated with presentation of the bid and participation in negotiations. Only exception is mala fide on the side on the winning bidder

# PPP PROCUREMENT STANDARD

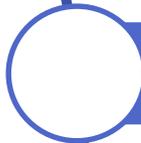
## Questionnaire (1/2)

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What are the major stages and associated timings for PPP procurement in your markets, and how is the private sector involved in a project development?

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What are the key procurement methods and which ones are more widely used? How transparency and fair treatment are maintained throughout the course of processes which utilize these procurement methods?

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Do you see the need to restrict competition during a PPP bid? If so, how do you see it best done? How would you ensure that all or most of fit bidders are allowed to bid whilst keeping their number low?

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What would you suggest be done to avoid corruption and 'nepotism' in a very compact PPP market (the case being for most developing and newly developed countries)?

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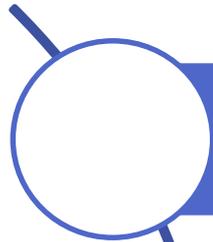
Do you consider the project specific pre-qualification and evaluation criteria and evaluation methodology to be fair, objective and transparent? How could they be improved, and how could public authorities better ensure that terms do not change after a preferred bidder is identified?

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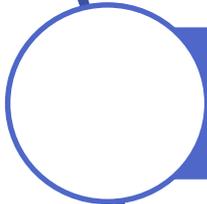
How do procuring authorities establish boundaries or base design principles for tender proposals to ensure bids are comparable, and how does this encourage private sector innovation? How do they manage and evaluate variations or unsolicited proposals offered by bidders, and do you think this process allows your tender to be fairly compared with others?

# PPP PROCUREMENT STANDARD

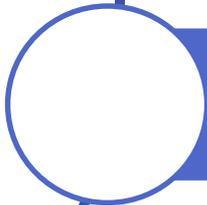
## Questionnaire (2/2)



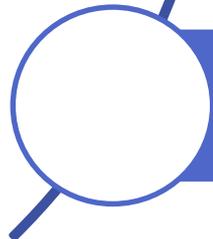
Have you had experience of unsolicited proposals? Do you think governments should allow these, and how do you envisage that transparency and value for money can be maintained?



Do you have provision for post-award procurement audits? If so, what form do they take, who carries them out and are their findings published? Do you find them helpful, and if not how could they be improved?



Please describe the negotiation process between the procuring authority and shortlisted bidders, the preferred bidder and the project partner after award. What issues have arisen and how have you addressed them? How have you ensured consistency between your tender offer and the awarded contract?



What do you see as the role of central PPP unit and international PPP bodies in the PPP procurement process (if any)? Could international PPP bodies facilitate transparent and efficient management of the procurement process, and how?



Federal Center  
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**THANK YOU FOR YOUR ATTENTION!**

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