

# Discussion Aide-Memoire

**This section lists some items to discuss and questions to consider during market sounding exercises. This is meant as a guide, the actual discussion may include a range of items outside the list below.**

## Scope of project including range of services

It is important to explain and discuss the scope of the project including what kind of services are involved; what are the core services and non-core services generated by this project?

## The Government's expectation and role in the project (including local Government)

Explain and discuss the goal of the project and the intended benefit to the public, the role of agencies/ministries take in the project and the interests and role played by Local Government.

## Technical aspect and cost of the project

Show the proposed technical requirements (capacity, service level, architectural aesthetics etc.) and the main features of the project's technical design and their costs:

- Indicate components of financial feasibility
- Explain the basis for demand projection, the project's projected financial indicators and their assumptions

## Business scheme or partnership model

Explain the PPP modality and focus discussions on:

- Will any potential private partners be interested?
- Comments and concerns about the scheme?
- If there are serious concerns, what changes might be necessary to make it work?
- Will a consortium be needed to build and operate the infrastructure?

## Risk allocation

Explain the main risks and how they could be allocated based on preliminary government thinking:

- Any comments on changing the risk allocation

- Future commercial development opportunities (other than those already included in the financial revenue projection)
- What are possible additional commercial opportunities available to private partner?
- Explain the rules of the game for non-core business development and commercial exploitation?

### Procurement procedures

A subject of major interest to the private sector, the Contracting Agency should present a description of the proposed procurement procedure:

- What are the main concerns about the procedure?
- Are there specific requirements?

### Conducting Discussions with Private Party

The essential activity of market sounding is having meaningful discussions with private sectors, in a group or one to one. Thus it is important to give some serious thought and manage this process.

Meetings should be conducted on a formal and professional basis and recorded appropriately. To avoid subjective interpretation and difference of opinion over the content of meeting, it is a good practice to conduct the meeting by at least two staff present, to avoid one-to-one meeting.

The meeting started with presentation by the Contracting Authority (with support from consultants if necessary) describing the project, stressing investment merits and proposed business scheme. After the presentation a discussion followed. This discussion should be open (free speech and equal opportunity to everyone present) but well organized (good moderator) and recorded.

Beside general discussion (section 7 above), there will be discussion on business scheme and service requirements and private party's thought about it. The market sounding team should try to elicit important information such as:

- The likely level of interest in the project
- The technical as well as business feasibility of what is proposed
- Timescale
- Indicated Value for Money

### Important Considerations

- **Discussion on costs:** at this early stage figures are a rough estimation especially at Market Sounding Phase 1, intended to establish reality in a general sense. This point should be clearly stated to the private party.

- At Market Sounding Phase 2, which would be conducted toward the end of the full-scale Project Feasibility Study, a better idea of project cost would be already established.
- **Specialization:** each potentially suited partner has a specialization. Market sounding team must understand specializations of each company involved in the market sounding discussion.
- **Impartiality and fairness:** no advantage should be given to any group or company who get involved in market sounding.