

Organization

Even if advisers have been hired to conduct most tasks relating to the selection process, only Government officials will be able to make decisions and defend their choice if necessary. The more complex the project is, the more crucial and delicate the organization of the approval process is.

The following section has been prepared to provide some guidance on the organization and preparation of sophisticated PPP projects, typically involving a package of responsibilities (design & build, BOT types, rehabilitation and maintenance, etc.) and designed to tap private finance.

Officials in charge of simpler schemes may still find below some useful advice to be applied when adjusting their usual procurement schedule and organization.

Finding the champions

Experience shows that no large government project can be implemented without it being championed. Key individuals in the government need to show an extraordinary interest in the project and push it forward. The best situation is to have 2 or 3 “champions”, with at least one at the level of those working on the details and at least one other in a relatively high government position. Although the champions’ role will not be limited to the procurement process, their contribution may prove particularly useful at this stage.

Organizing a Project Steering Committee (Award Team)

A procurement process for a PPP highway project requires a considerable amount of work from the government. Even if the government hires consultants to do much of the work required for a bidding process, many tasks will still be under the direct responsibility of the government. Only government officials will be required to defend and justify the project to the public, the different tribunals, or any organization challenging the project.

Invariably, some form of committee needs to be created to handle this work. The typical composition of this committee is as follows:

- A high-ranking official of the procuring government entity,
- A legal official with experience in the particular type of procurement and contracting,
- A technical official knowledgeable about the project,
- **A financial management official experienced in project financing (in case of Project financing).**

Because of the varied skills required, a Project Steering Committee is often composed of officials from different government agencies. This, however, creates a problem because the members of the Committee would be reporting to their own parent agencies and to the Committee Chairman. If there is a conflict of scheduling between the parent authority and the Committee, it is almost certain that the Committee members will give

priority to their parent authority. Because of this, it may be wise to create a Committee composed of members from only the sponsor government agency.

In all cases, it is essential that the members of the Project Steering Committee, and particularly the Chairman, have sufficient time to devote to the project. The amount of work may vary but it will normally not require more than one fourth of a person's time. However, if no consultants have been hired, the work involved will be almost a full-time job.

The Project Steering Committee, with the help of the consultants, will have the following main tasks;

- Produce the contract agreement,
- Design the bidding rules,
- Market the project to the public and to the bidders,
- Push the project through the approval process,
- Clarification of the approval process.

The Project Steering Committee will normally be empowered only to make recommendations but not to actually approve the selection.

Typically, there are at least five principal documents which need approvals, though some of them may be approved simultaneously:

- PPP strategy,
- Procurement rules,
- Pre-qualification of bidders,
- Draft Contract,
- Contract award.

The approval process for a PPP highway project is often defined by a procurement law (Module 4 -> Legislation) or some other form of legislation of the country. If this is not the case, a set of detailed procedures will need to be developed in coherence with the existing legislation and other procurement rules. Procedures should precisely detail the rules of the competition to be followed by the selection process. International Financing Institutions have developed comprehensive and coherent procurement guidelines and standard documents for national and international competitive bidding that are usually available of their web sites.



See for example World Bank guidelines on: <http://www.worldbank.org/html/opr/procure/bidding0.html>

In any case, there are frequently many sub-approvals at committee level whose procedures have not been defined. There is often considerable leeway in the approval process, namely, regarding who will be involved, the scope of approval of each person, the sequence of approval, and so forth. The scope of approval should be determined for each person or entity. For example, technical matters may be the responsibility of one entity, legal matters may be assigned to another entity, contingent liabilities may be

the area of the Department of Finance, and so on. Each approving party is confined to a particular area.

A typical review and approval process for a draft contract may look like this:

