

**UPDATED PUBLIC-PRIVATE PARTNERSHIP (PPP) POLICY:
PROCEDURES, PROCESSES AND EXPECTED PROJECT OUTCOMES.**

Following the policy of the Rivers State Government on self-funding of Public-Private Partnerships Projects, the Bureau is pleased to advise on the following next steps, procedure, processes, expected actions and outcomes in respect of Potential Public-Private Partnership Projects in Rivers State.

1. The Bureau shall in accordance with Section 43, sub-section 1 (b) of the Public-Private Participation in Infrastructure Development Law 2009 (PPP Law), register a project as a Solicited Public-Private Partnerships (PPP) Project on the payment of a non-refundable Registration and Administration Fee of **Five Million Naira (₦5,000,000.00)** only, payable Vide Account Name: R/S Bureau for Public-Private Partnerships; Account No: 1012585857; Bank: Zenith Bank Plc.
2. Upon receipt of evidence of payment of the Registration fee for the Proposal, the Bureau shall apply to the State Governor and State Executive Council for an **“in principle”** approval.

The State Executive Council (EXCO) and the Governor shall notify the Bureau of their decision to proceed or not to proceed with the proposal as a PPP Project.

3. Upon the decision of the State EXCO to proceed with the proposal, the Bureau shall issue **BUREAU APPROVAL NO.1**, to the Ministry, Department or Agency (MDA) in respect of the Proposal.
4. Upon the issuance of **BUREAU APPROVAL NO.1**, and in accordance with Section 46 of the PPP Law, the Contracting Authority (GPHCDA) shall carry out a Feasibility Study, which shall particularly give details as regards the following:
 - a) the comparative advantages in terms of the strategic and operational benefits of the proposed project, if implemented as a PPP project.
 - b) it shall describe in specific terms the:
 - i) social and environmental impact of the proposed project;
 - ii) expected outputs and deliverables by the private sector investor; and
 - iii) the extent to which these functions shall be efficiently performed by the private sector in terms of the Agreement;
 - iv) most appropriate option by which the GPHCDA, as Contracting Authority, may implement the project as a PPP project;
 - c) the capacity of GPHCDA, as Contracting Authority to effectively enforce the Agreement including the capacity to monitor project execution, and supervise performance of the private sector under the Terms of the Agreement;

- d) demonstrate that the proposed PPP project shall provide:
- i) value for money;
 - ii) affordability;
 - iii) transfer appropriate financial, operational, and technical risk to the private sector; and
 - iv) generate substantial employment opportunities and improve the living standard of the people of the State.

5. **The Private Investor** shall submit five (5) copies of a detailed Feasibility Study of the project, to the Bureau through the Contracting Authority (GPHCDA), along with the following documentation:
- A Partnership Proposal stating the Project Objectives, benefits, type, Dynamics and Synopsis, and Deliverables of the Project.
 - Corporate Affairs Commission Documents.
 - Social and Economic Impact Assessment of the Project
 - Contract Management Plan.
 - Technical Details - Architectural Drawings and Layouts, Structural, Electrical and Mechanical Engineering Drawings and details, Infrastructural Drawings, and Bill of Quantities.

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- Financial Model and Project Viability.
 - Funding: Cashflow Statement for the Project Term.
 - Balance Sheet forecast showing detailed financing plan & expected loan capital.
 - Key ratios, expected Rates of Return, Statement of Assumptions use, etc.
 - Details of Operating Expenses (OPEX) and Capital Expenditure (CAPEX).
 - Amortization Schedule for CAPEX Loan (Where applicable).
 - Profit & Loss forecast for a minimum of ten (10) year period (if applicable)
6. The Bureau shall, also in accordance with Section 21 of the PPP Law, appoint Transaction Advisers - Consultants, Experts and Technical Advisers, to assist the Bureau in the execution of its statutory mandate of appraisal, review & evaluation to determine the technical, commercial, economic and financial feasibility and viability of the Project Proposal as a PPP Project.
7. **The Investor** shall pay the cost and fees of the Bureau's Consultants, Experts and Technical Advisers whose services include:
- Review of Valuation & Structural Investigation Report;
 - Review of Financial Statement of Affairs and Analysis;
 - Environmental and Social Impact Assessment Reports;
 - Feasibility Report (Technical, Financial, Economic, and Commercial Viability);
 - Legal Due Diligence; and
 - Provision of Transaction Advisory services.

The standard fee is ten percent (10%) only of the total project cost. However, taking cognisance of the State of the economy and the need to encourage investors to invest in Rivers State, a reduced fee would be charged and payable to the Bureau's approved Consultants.

8. **The Investor** shall may, if necessary, be invited to attend meeting(s) with the Bureau and officials of MDAs to negotiate the final terms of the Concession Agreement.
9. **The Investor** shall be required to establish an operational office in Port Harcourt or Obio-Akpor and any other LGAs in Rivers State and shall ensure that, at least, Seventy-five percent (75%) of staff engaged for the project are indigenes of Rivers State.
10. After a Review of the Feasibility Study, and if satisfied, the Bureau shall issue BUREAU APPROVAL No. 2 to the Contracting Authority (GPHCDA), and submit a **Draft** Concession Agreement and Contract Management Plan to the Ministry of Justice.
11. The Hon. Attorney General and Commissioner of Justice has the responsibility for final negotiation of the Agreement, drafting of the Partnership Agreement and forwarding same to the Governor for execution.
12. Copies of the final Agreement signed by the Governor, when received from the Attorney-General and Commissioner of Justice, shall be distributed to the Contracting Authority, relevant government MDAs and the Private Investor.
13. Upon the receipt of the executed copies of the PPP Agreement, and payment of a Project Management Fee of **Ten Million Naira (₦10,000,000.00)** only, to the bureau by **the Investor**, The Bureau shall issue **BUREAU APPROVAL NO. 4**. No PPP Agreement shall commence prior to the issuance of **BUREAU APPROVAL No. 4**.

We believe that the foregoing information will enable **Investors** take necessary steps to facilitate the process and bring their transactions to an early and successful completion.

Please accept the warm assurances of our highest consideration.

Thank you.

Yours Sincerely,

Hon. Nimi Walson-Jack
Executive Director.