

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: [RG-T2998-P003](#)

Selection Method: [Full Competitive Selection](#)

Country: [Regional](#)

Sector: [PPP](#)

Funding – TC #: [ATN/OC-16388-RG, ATC/OC-16389-RG](#)

Project #: [RG-T2998](#)

TC name: [Facility to Support Public-Private Partnerships in Infrastructure](#)

Description of Services: [Support the IDB and its clients in a range of activities required to strength the regulatory and institutional framework, prepare and implement public-private partnership \(PPP\) projects in LAC.](#)

Link to TC document: <https://www.iadb.org/en/project/RG-T2998>

The Inter-American Development Bank (IDB) is executing the above mentioned operation. For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<http://beo-procurement.iadb.org/home>) by: June 25, 2018, 5:00 P.M. (Washington D.C. Time).

The consulting services (“the Services”) include a range of activities required to strength the regulatory and institutional framework prepare and implement public -private partnership (PPP) projects in LAC. Timelines will be determined through the work order and associated bids by providing proposed work plans and total costs for that work order.

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work](#) - GN-2765-1. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described below in the [draft summary](#) of the intended Terms of Reference for a Framework Agreement. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: [\[danielca@iadb.org\]](mailto:danielca@iadb.org)

Inter-American Development Bank

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**Program to Support Public-Private Partnerships in Infrastructure
RG-T2998 ATC/OC-16389-RG and ATN/OC-16388-RG**

TERMS OF REFERENCE

Consultancy for Public-Private Partnership (PPP) related activities

1. Background Information

Established in 1959, the Inter-American Development Bank (“IDB” or “Bank”) is the main source of financing for economic, social and institutional development in Latin America and the Caribbean (LAC). It provides loans, grants, guarantees, policy advice and technical assistance to the public and private sectors of its borrowing countries.

The Public-Private Partnership Team (VPC/PPP) at IDB is primarily dedicated to assisting public entities in LAC with upstream activities (regulatory and institutional framework strengthening); enhancing technical capacities by providing PPP knowledge dissemination (workshops, training and publications), PPP project preparation (identifying, selecting and evaluating) and structuring, (risk analysis to determine appropriate PPP structure), PPP contracting (preparation/assistance with bidding process and evaluation of proposals) and management of socially feasible and bankable infrastructure projects that have the potential of reaching financial closure

These Terms of Reference outline the activities and responsibilities of a firm or organization (herein referred to as “firm”) that will support upstream capacity building for PPPs and PPP project preparation activities related to the Program to Support Public-Private Partnerships in Infrastructure (RG-T2998). The Program’s objective includes supporting the IDB’s borrowing member countries in Latin America and the Caribbean with the implementation of PPPs in infrastructure through (i) development and strengthening of regulatory frameworks and institutional capacity for PPPs; (ii) supporting the identification, evaluation and preparation of infrastructure projects to be implemented via PPPs; and (iii) generation, systematization and dissemination of knowledge, and PPPs best practices in infrastructure.

Due to the broad scale and timeline of potential deliverables, this document outlines the ability to work with one or several firms contracted under a "Framework Agreement" based on a firm(s) respective Proposal(s). A Framework Agreement allows for an indefinite quantity, which is neither promised nor limited, of services within a general scope of work during a fixed term period at predetermined rates pursuant to agreed contract terms and conditions. Different requirements and requests will each have their own work order. The contract will be for a defined time period (two years) and work will be based on agreed rates for each work order and resulting type of expert that the firm will propose.

Firms are invited to submit proposals to be contracted under a Framework Agreement, and one or several firms will be selected based on their technical and price proposals. It is estimated that two or three firms be selected. A firm that wins a bid and signs a Framework Agreement with the IDB is not yet assigned a quantity of work. Instead, it is “pre-approved” during the two (2) year term of the Framework Agreement to bid on work orders for specific services (further definition and examples below). The VPC/PPP, will select work order bids

based on factors such as price, knowledge and experience of the team to be provided by the firm, and proposed timeline. At the time of specific work orders, a firm will be requested to price their offers.

2. Services to be Performed

The main objective of this consultancy is to support the IDB and its clients in a range of activities required to strength the regulatory and institutional framework, prepare and implement public-private partnership (PPP) projects in LAC.

A consulting firm or firms with a strong presence in LAC will be hired to carry out demand-driven advisory services assignments. An assignment may include support for:

- Providing background information on PPPs;
- Advising government officials on an effective legal, regulatory, policy and institutional environment conducive;
- Assessing training needs and providing PPP related training courses, workshops and seminars, as well as organizing events to facilitate PPP awareness and diffusion; exploring - to the extent possible - innovative approaches for PPP-related training;
- Advising national and subnational governments on appropriate processes and organizational structures, guidelines and methodologies to prepare and implement PPP programs, including the development of PPP initiatives throughout the project cycle (from identification to contract management);
- Assessing the viability of PPP projects or PPP programs in particular countries, municipalities and provinces/states/regions and supporting their development through diagnostics, pre-feasibility studies and feasibility studies;
- Providing targeted support for identifying PPP candidate initiatives, appraising PPP projects, structuring PPP contracts and tender documents and implementing PPP transactions;

Advising national and subnational governments on the appropriate practices of contract management including targeted support to specific changes and/or renegotiation of contracts.

3. Reports / Outputs:

This section includes detailed descriptions of activities that could be included under this consultancy:

A. Promotion and Dissemination of PPP Fundamentals

This set of activities could involve leading and coordinating workshops, seminars, conferences and briefings for public and private sector stakeholders in order to introduce PPPs as a contractual alternative and present the potential benefits of developing infrastructure through a PPP contract. The firm could be responsible for developing agendas, presentations or other briefing materials for meetings and workshops. Among the areas to be explained in such workshops and briefings could be:

- Definition and main elements of PPPs;
- PPPs vs. Public procurement vs. Privatization (Value for Money);

- Advantages and disadvantages of PPPs;
- When it is appropriate to do a PPP;
- PPP risks and basics of PPP risk management;
- Introduction to PPP legal and institutional framework;
- Introduction to PPPs in particular sectors;
- Analysis of PPP experiences in the national and/or subnational levels;
- PPP processes and institutional arrangements

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- International experiences with PPPs.

B. Support for PPP Legal, Regulatory and Policy Reform

This set of activities, regarding national and/or subnational entities, when appropriate, could include:

- Developing presentations and briefings for stakeholders on key issues concerning PPP laws, regulations and policies;
- Assessing the feasibility and conduciveness of legal, regulatory and/or policy frameworks for developing a pipeline of PPP projects or a government PPP program;
- Developing advisory reports on adapting legal, regulatory and/or policy frameworks to establish a more conducive enabling environment for developing a pipeline of PPP projects or a government PPP program;
- Writing or supporting the writing of draft PPP bills, regulations and policies;
- Advising officials on the implementation of approved PPP laws, regulations and policies.

C. Support for the Organizational Development and Operationalization of Public Sector Institutions Responsible for PPP programs and projects

The aim of these activities is to enhance the organization and operation of public institutions responsible for PPPs. Such institutions could include, but would not be limited to, ministries, secretariats, local public agencies, regulatory agencies, line agencies and independent PPP units at the national and subnational levels. Activities could include:

- Consulting with key stakeholders on important issues and best practices concerning PPP institutions and institutional frameworks in relation to the situation in a particular national and/or subnational beneficiary;
- Advising governments on job descriptions, work plans and operational budgets for setting up a PPP program;
- Providing advisory services necessary to reform existing institutional arrangement promoting appropriate organizational structures for a public institution or institutions responsible for PPPs, as well as the adequate inter-institutional coordination;
- Providing non-financial advice to public institutions on human resource needs for PPP programs and projects;
- Developing or supporting the development of internal procedural manuals, guidelines and methodologies for public institutions responsible for PPPs;

- Providing advisory services, while working with key staff, to guide the implementation of PPP procedures and early-stage functioning of public institutions responsible for PPPs.
- Developing procurement templates for PPPs that could then be modified and applied to different infrastructure sectors and across countries. This could include TORs for key advisors, bidding documents, contractual clauses and standard contracts;

D. PPP-Related Training

The consulting firm could provide PPP related training through various forms including, but not limited to, courses, technical workshops, introductory seminars and site visits. To guide training, the consultant could develop formal training needs assessments, training plans, produce all the content required to deliver the training and post-training evaluations. While training will mainly involve government officials, it could include members of the private sector and academia.

Training will cover, but not be limited to, the following topics:

- Hiring and managing PPP advisors;
- Identifying, appraising and selecting PPP projects by analyzing costs and benefits and applying other techniques;
- Risk allocation, assessment and mitigation measures;
- Fiscal risk assessment and management of liabilities and contingent liabilities
- Accounting for PPPs;
- Preparing PPP projects, including managing the development of technical and environmental studies;
- Project finance;
- Financial analysis/ modelling;
- Transaction structuring;
- Procurement process;
- Dealing with the private sector and successful “market sounding”;
- Legal issues – contract drafting and negotiation;
- Contract management.

E. Targeted Support for PPP Project Development

This set of activities could support governments to develop socially viable PPP initiatives capable of delivering Value for Money for users and taxpayers, throughout the whole life of the asset. The support can be focused on specific stage(s) or on the complete life-cycle project, including the identification, selection and appraisal of PPP projects, structuring of bidding documents, including the PPP contract, and designing the tendering process, implementing the transaction, the support to the financial close of the PPP initiative. Support could be provided through the following activities.

- Screening pipelines of PPP projects;
- Developing “road maps” on key actions, sequencing, and cost estimates for developing a particular project;
- Developing implementation strategies to identify critical inputs and support project development;
- Developing the “strategic business case” or pre-feasibility reports for potential PPP projects. In this case, strategic business case refers to a type of analysis used in PPPs to determine whether a project is a good project that could be feasible as a PPP. This assessment includes an initial evaluation of the value for money, risks and feasibility (technical, economic, financial, fiscal, legal, environmental, and social) of different project procurement alternatives;
- Developing or coordinating targeted project appraisal in terms of its viability and the major risks to its implementation. The feasibility studies can include activities such as:
 - Producing and/or reviewing engineering studies that can include environmental, geotechnical, topographical, hydrological, among others,
 - Technical feasibility assessments, including reviewing and/or proposing technical solutions, identification of significant technical risks and technological issues that can interfere in the development of the project;
 - Producing technical requirement, output specifications and key performance indicators necessary to specify the scope of the project;
 - Determining the cost-benefit analysis (social-economic evaluation);
 - Social and environmental feasibility assessments, including preliminary identification of major social and/or environmental issues that can affect the viability of the targeted initiative;
 - Determining the legal viability of the project and major issues and legal modifications needed;
 - Producing a Financial Model capable of delivering the necessary information and analysis to assess the Commercial feasibility of the project from the perspective of investors and lenders (bankability), including the estimation of demand, O&M costs and revenues, availability payments and/or final user tariffs, fiscal costs, financial costs and estimated rate of return, and other financial elements associated with the financial feasibility of the PPP project;
 - Value for Money Analysis, including the estimated cost of the public reference project and the PPP project, based on risk analysis and establishing a quantitative and qualitative assessments of the capacity of the project to produce efficiency gains in the perspective of the contracting agency and/or users as compared to alternative available procurement routes.
 - Fiscal feasibility, including the identification and quantification of direct and contingent liabilities of the PPP project in the government balance sheets;
 - The coordination of multidisciplinary teams that may be involved in activities associated with project appraisal guaranteeing that their work is convergent with the project objectives and their assumptions and interfaces are consistent.

This include the integration and quality assurance of documents produced by the team.

- Developing or coordinating targeted project preparation and structuring activities delivering part or the totality of the documentation required to conduct the formal procurement process and the commercial close of the project. The structuring of the project can include activities such as:
 - The detailed set of performance indicators and output specifications that should be linked to the payment or revenue mechanism to promote the adequate incentives and the effectiveness of the risk allocation schemes.
 - The detailed design of the payment or revenue mechanism that determines all necessary elements to identify the gross income of the project company, either through public payments, user tariffs or commercial revenues.
 - The detailed risk allocation matrix, which should identify enforceable contractual mechanisms to allocate specific project risks, including the conditions of the risk allocation structure
 - The detailed set of rules regarding the procurement process including the qualification criteria, the proposal evaluation and awarding criteria, and other aspects of the procurement process
 - The complementary documentation to the targeted PPP agreement necessary to create the working relationship between the public and private party during the duration of the PPP contract.
 - The coordination of multidisciplinary teams that may be involved in activities associated with project structuring guaranteeing that their work is convergent with the project objectives and the assumptions and interfaces are consistent. This include the integration and quality assurance of documents produced by the team.
- Supporting the contracting agency to obtain the necessary approvals, considering the specific country legal requirement, to issue the request for proposals.
- Supporting the contracting agency to conduct the procurement process in terms of the interaction with potential bidders, formal questions, potential negotiations and formalization of the PPP agreements and financial close of the project.
- Organizing and promoting market sounding exercises to share project's characteristics and obtain feedback from private sector players, including potential sponsors, lenders, and relevant suppliers in one or more stages of the project development and implementation cycle.
- Developing and implementing communication strategies and stakeholder engagement plans to identify the concerns of critical stakeholders, and provide recommendations for taking these concerns into consideration, in the process of engaging with these stakeholders and developing projects;
- Implementing "Project Management Offices" for the targeted projects guaranteeing the use of the most effective technics of project management during the whole life-cycle of PPP initiative.

F. Contract Management and Renegotiation

To support the effective management of PPP contracts and appropriate approaches to contract renegotiation, when necessary, the following activities could be developed under this consultancy:

- Advising government officials on compliance with PPP contracts, including performance standards;
- Advising governments on whether contract renegotiations should take place and supporting governments during the renegotiation process;
- Advising governments on the drafting of contractual amendments and the implications of specific contractual terms and conditions;
- Advising governments on the development of new contractual requirements related to performance standards.
- Advising government officials regarding early termination of the PPP contract.

4. Project Schedule and Timeline

Timelines will be determined through the work order and associated bids by providing proposed work plans and total costs for that work order. Over the contract execution period, it is expected that there will be approximately six to twelve orders a year. Where shorter timelines are required, the winning firm will be able to put multiple consultants and/or experts on the project task.

Additional Expectations are that:

- The winning firm(s) identifies a range of cost depending on the type and number of experts assigned to meet work order objectives and timelines
- The winning firm must have the ability to provide local expertise to fulfill the work order objectives, either through separate contracting of local experts, local partnerships, or other mechanisms to obtain local access.
- The winning firm will provide reports in the native language of a country and must demonstrate an ability to work fluently in both Spanish and English, Portuguese and French being strongly desired.
- Where travel is involved, indicative travel costs should be submitted with the Proposals to work orders. Specific travel costs and services costs will be submitted for each Work Order within the limits agreed with the firm. The Bank only recognizes economy class airfare costs.

5. Expected Deliverables

Different deliverables will be requested and processed through a work order that may include, but is not limited to: reports and presentations. With each work order, the firm(s) will be expected to create a work plan that includes a start and end date, outline key processes needed to complete the work, and identify stakeholders, especially government counterparts, that will be contacted to complete the work. All government counterparts must be approved and cleared by the project team before along with a final detailed estimate of costs associated with the work order before acceptance by both parties.

6. Professional profiles of the consulting firm

It will be expected that winning consulting firms will have the following:

- Demonstrated expertise on the policies, laws and regulations governing PPPs.
- Demonstrated expertise across a wide range of sectors, like, water and sanitation, health, and education, waste management, transport, energy in pre-feasibility, feasibility and structuring phases.
- Demonstrated extensive experience providing high-level advice to national and subnational governments and private sector clients.
- Demonstrated ample experience formulating and delivering training programs on PPP issues to audiences from national and subnational government and private sector.
- Demonstrated PPP experience in Latin America and the Caribbean.
- Personnel resources with fluency in Spanish and English, with Portuguese and French desirable.
- Expertise with multilateral development organizations, such as the Inter-American Development Bank or the World Bank.
- Expertise in managing multidisciplinary PPP related projects in multiple sectors and single projects with multi-sector components.

The consulting firm must have the capacity and human resources designated to this assignment to carry out at least two advisory assignments at the same time and will have experts available within three weeks after receiving a specific Work Order from the PPP Focal Point. As such, the firm should demonstrate its capacity to readily mobilize these resources, identifying in its proposal potential permanent team members.

In a Proposal, firms must submit experience in the types of services outlined in the Framework Agreement and identify countries in the LAC region where this experience has taken place.

7. Designated representative:

Unless otherwise notified by the Bank, Gaston Astesiano (gastona@iadb.org), from the IDB PPP Team, shall act as the IDB's designated representative regarding this Framework Agreement.

The Consultant shall give written notice of their respective representatives authorized to act pursuant to this Agreement. Such notice shall be given upon execution of the Agreement and from time to time thereafter upon each party's designation of other designated representatives.

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