



PPP PROJECTS

Objectives

- To outline the role the National Development Corporation (CND) plays in social and productive infrastructure in our country.
- To analyse and reflect on one of our most important PPP projects to improve jails in Uruguay.

Why PPP in Uruguay?

We want PPPs in Uruguay because they have several advantages:

- They allow the State to defer payments until services start being used.
- Distribute risks in a more efficient way.



CND roles

To promote PPP in Uruguay:

Our legislation entitles CND to act as one or several of the following 4 roles:

Role 1: Capacity building

What for?

- To train both the public and private sectors in PPPs because we believe in their advantages.

How?

- By training our staff, encouraging them to do MA courses in PPP implementation (mostly in Spain).
- By visiting successful PPP experiences in other countries (Chile, Spain, UK, USA, etc).
- By giving and designing courses for both the private and public sector.

Role 2: To implement projects as a concessionaire or trustee

What for?

- To reduce risks and thus attract investors in new businesses and high risk investments (e.g. green-field projects).

How?

- Generating trusts or companies to implement and sell the projects (e.g. Carrasco Airport).

Role 3: To develop technical guidelines

What for?

- To set rules and fix standards for studying PPP projects.

How?

- By generating documents which enable us to see if a project is viable or not.
- We design these documents in conjunction with other public administrators. One of this documents is “Methodology to calculate VFM in Uruguay”.

Role 4: To act as adviser in different stages of projects

What for?

- To act as advisers for the public sector in order to evaluate whether implementing PPPs is appropriate and analyze which is the most convenient kind of project.

How?

- By carrying out different studies like economic feasibility or VFM.
- By referring to technical guidelines.
- By designing the contracts and the “terms and conditions” for the different bidding processes.



PPP Project:

UPPL No. 1

Unidad de Personas Privadas de Libertad N° 1

Investing in jails

Objectives

- To solve the overcrowding problems due to lack of space in jails.*
- To improve the state of the buildings which are damaged and have inappropriate design (e.g tall buildings).
- To strengthen human resources so that the public officers are exclusively in charge of security, health and rehab programmes while the private sector looks after other services like maintenance, food, laundry, etc.

* The total number of prisoners was 9.300 in November 2011, representing an overpopulation level of around 130%

PPP project: UPPL No. 1

Requirements for tenders

- To design, build and finance a new building for 1860 prisoners to be distributed in cells for 1, 3 or 5 people.
- The winning bidder is expected to do the following for 20 years:
 - To maintain and correct any deficiency of infrastructure
 - To offer catering, laundry, cleaning, pest control and other services.



A horizontal process flow diagram consisting of five rounded rectangular boxes in a row, each containing a stage of the project. The boxes are colored in shades of blue and are set against a light blue arrow pointing to the right. The stages are: Design (dark blue), Finance (medium blue), Construct (medium blue), Maintain (light blue), and Operate (light blue).

Design

Finance

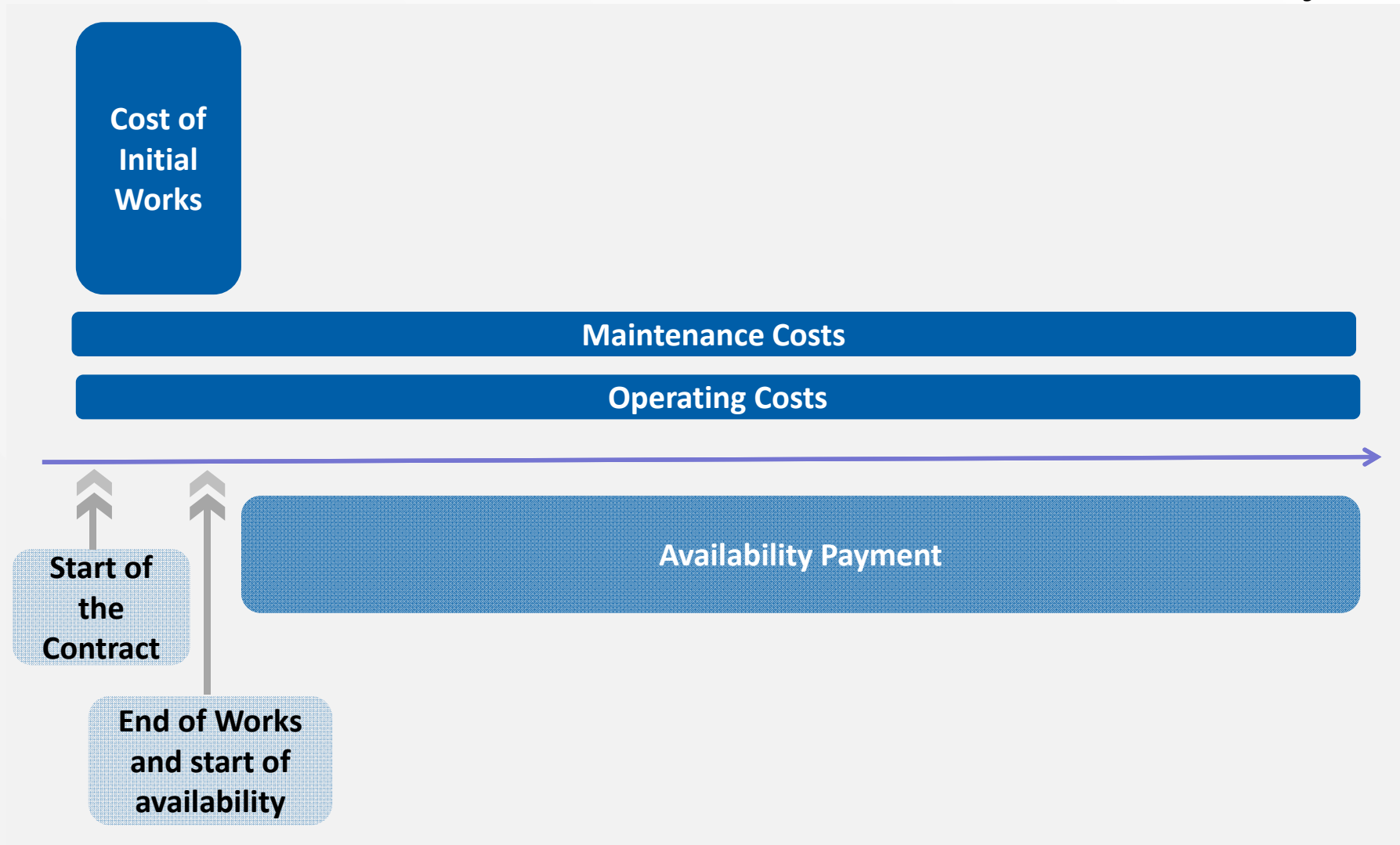
Construct

Maintain

Operate

Cost and payment

Business Model and Form of Payment



PPP project: UPPL No. 1

Further details

- The building should be divided into 2 sectors:
 - One for reception, classification, administration and medical polyclinic, among others.
 - The other building for accommodation.
- The estimated indoor space to be built is about **45.000 m²**.
There is up to two and a half years to have the prison ready to be inhabited.
- The estimate initial cost is **72 million US dollars** + VAT (22%)

PPP project: UPPL No. 1

Procurement model

- The tenders need to present a full proposal consisting of the following parts:
 - 1.- Administrative background:
(patrimony and assets, relevant projects the company has taken part in, etc)
 - 2.- Technical proposal
(details about building and services)
 - 3.- Economic proposal
(availability payment proposal)
- Each part will be assess individually in that order.

PPP project: UPPL No. 1

Important information

- Deadline to receive proposals:
May 31st, 2013 at Ministerio del Interior, Montevideo, Uruguay.
- You can buy the Request for Proposals at Ministerio del Interior and it costs 3.000 U\$S
- Webpage: <http://comprasestatales.gub.uy>



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