



THE PRESIDENCY

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

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A Privately Initiated Infrastructure Proposal (PIIP) OR an **UNSOLICITED** PPP Procurement over Federal Government Infrastructure would **typically** follow the steps below:

1. **PPP PROJECT DEVELOPMENT AND PREPARATION PHASE**

- Private Proponent submits a bankable **Outline Business Case**¹(OBC) to MDA demonstrating inter'alia:
 - capacity to finance, deliver, construct and/or operate the project,
 - a technical feasibility study,
 - an estimated total project cost and financial model,
 - the justification of project need, and
 - Environmental or other social impact studies. During review for consideration the MDA may request for additional legal, financial, and environmental studies at the proponent cost.
- If the OBC is acceptable, the MDA would thereafter forward the OBC to the ICRC for **review**. Subject to assessment ICRC would approve or decline the issuance of the OBC Compliance Certificate to the MDA.
- ICRC OBC Compliance Certificate will convey the applicable unsolicited proposal fee ²(USP-Fee) accordingly.
- ICRC would consult the Federal Ministry of Finance (FMoF) in order to identify and appropriately handle any risk and contingent liability issues that may arise from the project.

2. **PPP PROCUREMENT PHASE**

- Following OBC's certification by ICRC and the payment of the USP-Fee by the project proponent, the MDA will constitute a Project Steering Committee, Project Delivery Team and appoint a PPP Project Officer for the Project.
- A **Transaction Adviser** (TA) would then be engaged by the MDA through competitive bidding process as required under the Public Procurement Act of 2007, to further review the OBC, assess the value for money and other baseline parameters to guide the procurement and negotiation process.
- The MDA's TA would commence a two staged RFQ/RFP³ **procurement process** through the Modified Swiss Challenge Method leading to a competitive bidding process from which a preferred bidder will emerge. The original private proponent will have the right of first refusal to submit and match or concede to a more responsive Offer other than his original proposal.
- **Negotiations** would thereafter ensue, leading to the conclusion and submission of a **Full Business Case** (FBC)⁴ to ICRC for **review**. Following which, ICRC would issue FBC Compliance Certificate to the MDA or advise the MDA otherwise accordingly.
- The MDA would submit the FBC Compliance Certificate to **FEC** through the line Minister, for **Approval**.
- Following FBC's approval, the PPP Contract would be signed between the grantor MDA and the preferred **PPP Project Proponent (Investor)** after which ICRC will **take custody** of the PPP Contract as required under the Section 20 of the ICRC Act.

3. **PPP IMPLEMENTATION PHASE**

- Following commercial close⁵, the TA will follow through with the project and the preferred **PPP Project Proponent (Investor)** to achieve **Financial Close**⁶ in line with the condition precedent in the PPP Contract. The MDA is required under Section 12 of the Act to supervise the project diligently. On the other hand the ICRC and the MDA are required, under Section 10 of the Act, to conduct regular joint **Inspections** of the Project until the end of the contract.

¹ **Outline Business Case:** A document prepared to establish the need for the project outlining its parameters, scope, demonstrate its bankability and value for money.

² **USP-Fee:** An applicable fee in line with ICRC USP-Fee Structure (see www.icrc.gov.ng) paid by the unsolicited project proponent for the submission of the unsolicited proposal to the MDA.

³ **Request for Qualification (RfQ)** The set of documents issued by the procuring authority that constitute the basis of the qualification and potentially the pre-selection of candidates (the short list). Qualified (or short-listed candidates) will then be invited to submit a proposal (or to enter into a new phase prior to bid submission, such as a dialogue phase or interactive phase) & **Request for Proposal (RfP)** The set of documents issued by the procuring authority that set out: The basis or requirements for submitting the proposal (which documents and in which format and contents the bidder has to submit); The basis of the evaluation criteria for selecting the preferred bidder or awardee; and The PPP contract that will be signed with the successful bidder and other annexed information such as forms, templates, complementary information for reference purposes etc

⁴ **Full Business Case:** A document prepared by the MDA's TA prior to financial closure and award of contract, which provides all the information needed to support a decision to award a contract and commit actual funding, as well as provide a basis for the necessary project management, monitoring evaluation and benefits realization.

⁵ **Commercial Close:** The time when all network of commercial contracts and documentation have been executed between/among the public and private party.

⁶ **Financial Close:** The time when the financial documentation and covenants have been executed with lenders to the project, and conditions precedent have been satisfied or waived. It is now permissible to draw money for project execution