



PPP decision models and procurement process
Public Private Partnerships in Transport: Trends and Theory
Weimar, 22th of March 2012

Content



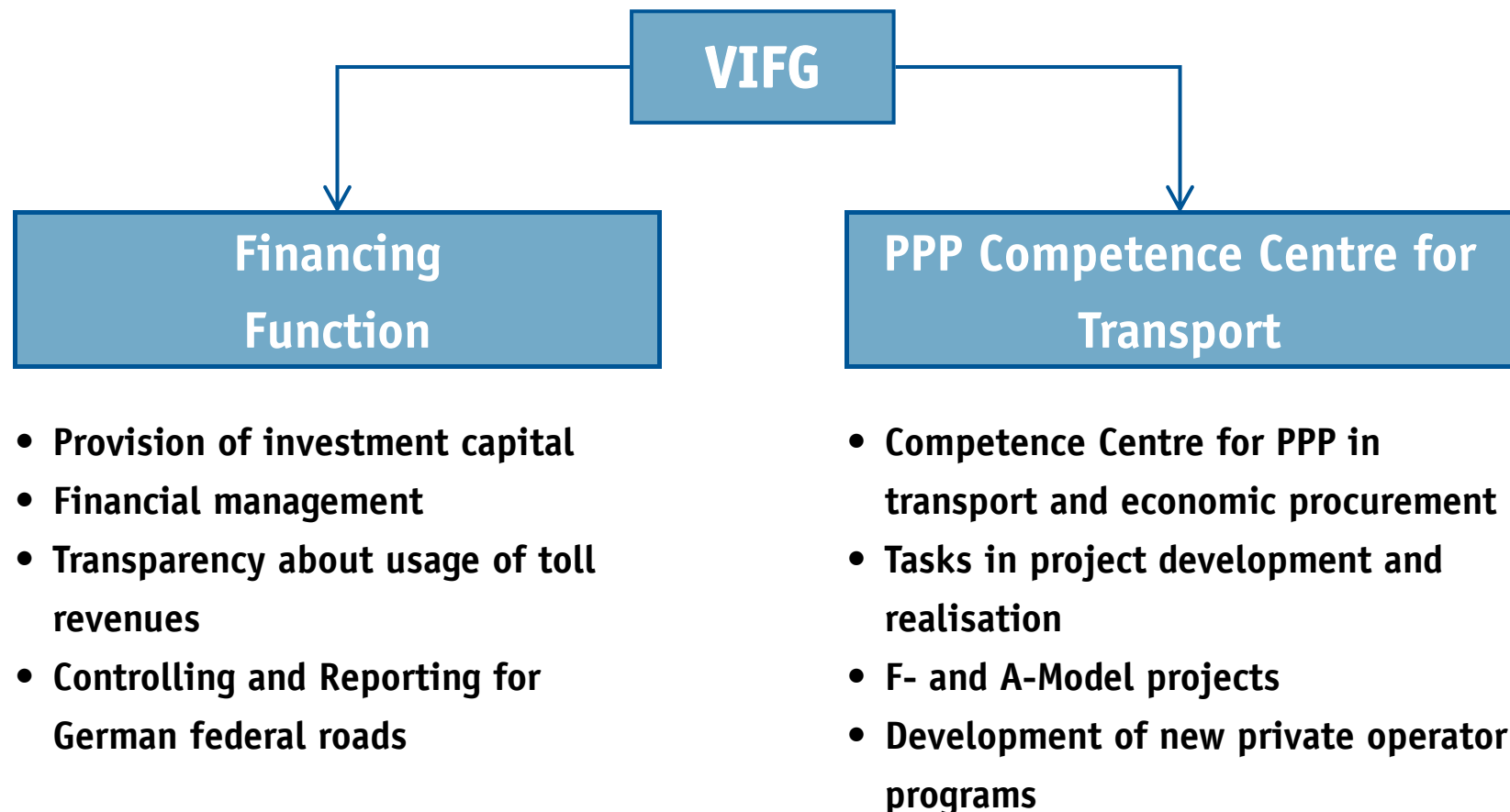
- **Tasks and functions of the VIFG**
- **A-Models in Germany**
- **PPP decision models**
- **Structured Negotiated Procedure**

Foundation of the VIFG



- **Founded in 2003**
 - following the recommendations of the “Pällmann-Kommission”
 - based on the VIFG act
- **Government objectives:**
 - Point out the connection between charging the users and using the charges
 - Finance programs for different transportation infrastructures (road, rail, waterway)
 - Relief the public sector of certain tasks

Tasks and functions of the VIFG



HGV-Toll on German Highways



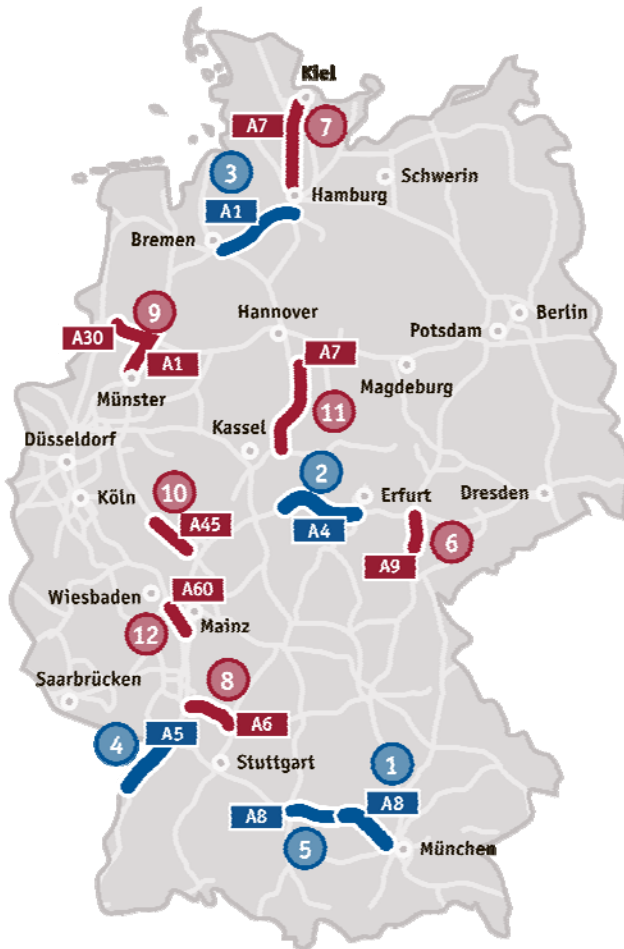
- **HGV-Toll (> 12 t) on Highways**
- **Toll charges depending on**
 - Driving performance
 - Number of axles and emission class
- **Earmarking of toll revenues for**
 - Operating the system
 - Enhancement of transport infrastructure, mainly for federal road network
- **Toll revenues are entitled to the federal government, revenues and expenses are displayed in federal budget and operated by the VIFG**

A-Models in Germany

Evolution of PPP in Germany

Sector	PPP in Buildings <ul style="list-style-type: none"> • since 2003 	PPP in Roads <ul style="list-style-type: none"> • since 1994
Motivation	<ul style="list-style-type: none"> • Efficiency • Transparency • Compare variants of procurement • Value for Money Assessment 	<ul style="list-style-type: none"> • Additional funds • Road Pricing / User Financing
Strategy	Hochbaugutachten	FStrPrivFinG / F-Model
	Projects in different Sectors <ul style="list-style-type: none"> • since 2004 Task Force in BMVBS • since 2008 ÖPP Deutschland AG 	A-Model <ul style="list-style-type: none"> • since 2003 VIFG
Realisation / Development	<ul style="list-style-type: none"> • Schools • Hospitals • Buildings of Administration (Town Halls) • New Building for Ministry of Education tendered • Other social infrastructure 	<ul style="list-style-type: none"> • 2 F-Model Projects • 4 A-Model Pilotprojects, 2 Projects from 2nd Wave • 2 Municipal Projects • More Projects in Preparation or in Tender from all Federal Levels

The PPP-Projects on German Highways



A-Model Pilot Projects and new Projects

1. Bavaria	A8 (AS Augsburg West – AD München-Allach)	Construction completed
2. Thuringia	A4 (Landesgrenze Hessen/Thüringen – AS Gotha)	Construction completed
3. Lower Saxony	A1 (AD Buchholz – AK Bremen)	Awarded
4. Baden-Wuerttemberg	A5 (Malsch – Offenburg)	Awarded
5. Bavaria	A8 (AK Ulm-Elchingen – AD Augsburg-West)	Awarded
6. Thuringia	A9 (AS Lederhose – Landesgrenze Thüringen/Bayern)	Awarded
7. Schleswig-Holstein	A7 (Bordesholm – Hamburg)	In Tender

Tender expected (depended on public permisson and pos. VfM)

8. Baden-Wuerttemberg	A6 (Wiesloch-Rauenberg – Weinsberg)
9. North Rhine-Westphalia	A1 / A30 (Lotte – Münster / Rheine – Lotte)
10. Hesse	Measures in line of A45
11. Lower Saxony	A7 (Salzgitter – Drammetal)
12. Rheinland-Pfalz	Measures in line of A60 / A643

Further Projects expected A45 (Hesse) und A60 (Rhineland-Palatinate)

A-Model: PPP-Projects



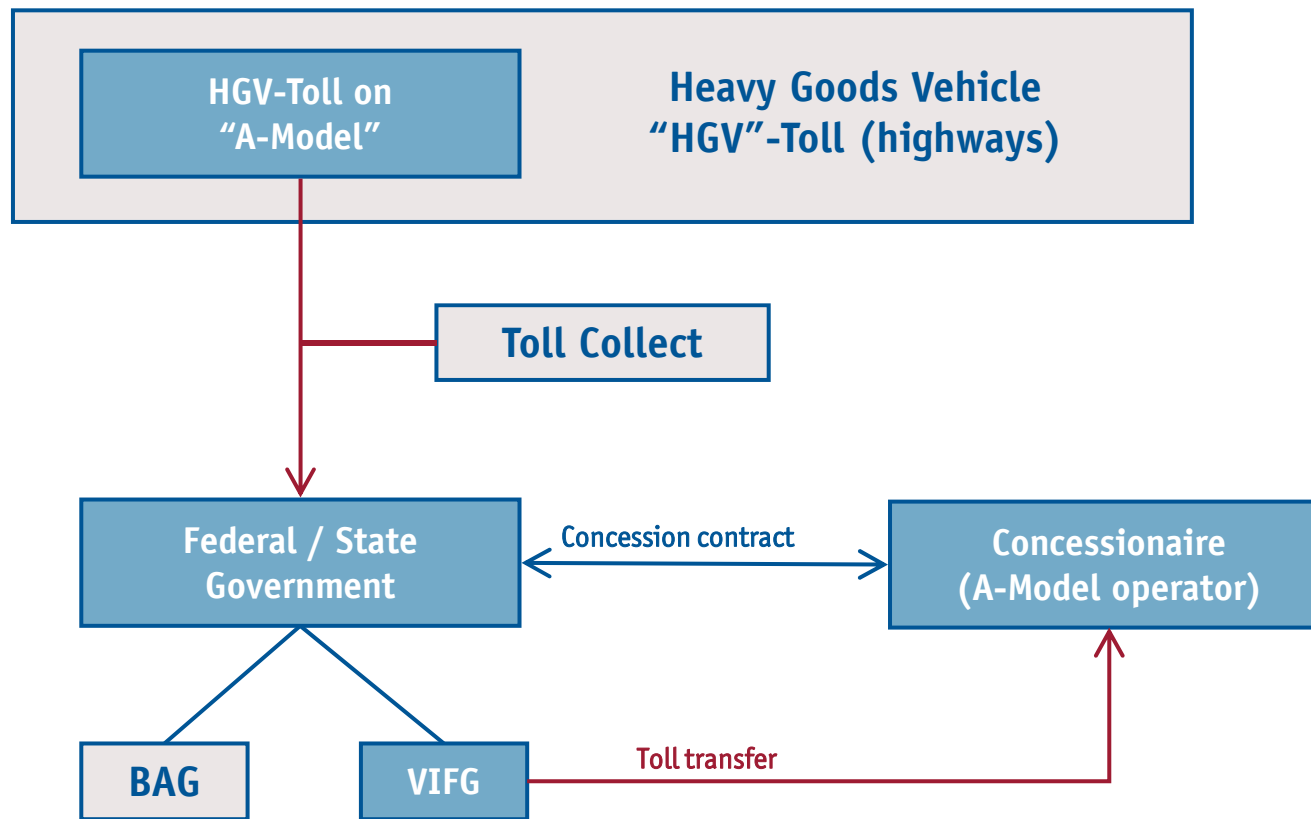
• General specifications

- Concession to private
- Enhancement from 4 to 6 lanes
- Operating and maintenance (e. g. 30 Years)
- Compensation through toll revenues of the section + start-up financing




• Experiences

- Early and efficient realization of important projects
 - Shortening of traffic-disturbance with the aid of building measures
- Increase in efficiency
 - Efficient preparation of the roadways under the ratio of efficient utilisation of resources and received performance
 - Benchmarks for conventional procurement

Structure of Toll Transfer



Legend

	Toll forwarding
	Contractual relation
	Implementation of federal tasks
BAG	Controlling Entity for Toll Collect

A-Models in Germany

Classification of PPP-Models

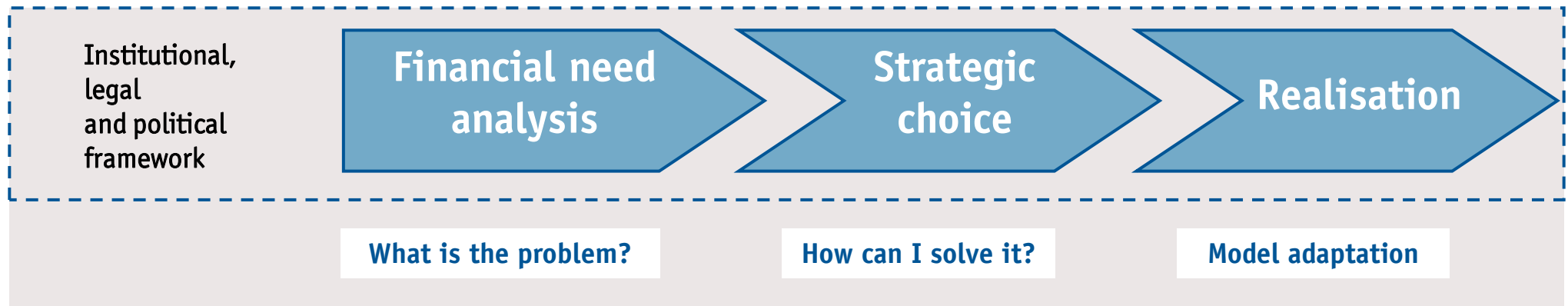
	User toll (section)	„Shadow toll“	Availability fee	Active Management
Performance	Comparable scope of benefits			
Payment	<ul style="list-style-type: none"> The PPP-partner gets a direct toll from the user, to refinancing the investment. 	<ul style="list-style-type: none"> The PPP-partner gets from the concessionaire a payment per user. 	<ul style="list-style-type: none"> Payment according to the defined availability (e.g. 95%) 	<ul style="list-style-type: none"> Payment according to the efficiency of the concessionaire (e.g. holdup times, safety on the section)
Traffic risks	<ul style="list-style-type: none"> Transport- and revenue risks 	<ul style="list-style-type: none"> Transport risks 	<ul style="list-style-type: none"> Loss- and calculation risks 	<ul style="list-style-type: none"> Loss- and quality risks

Adjustments for future Projects



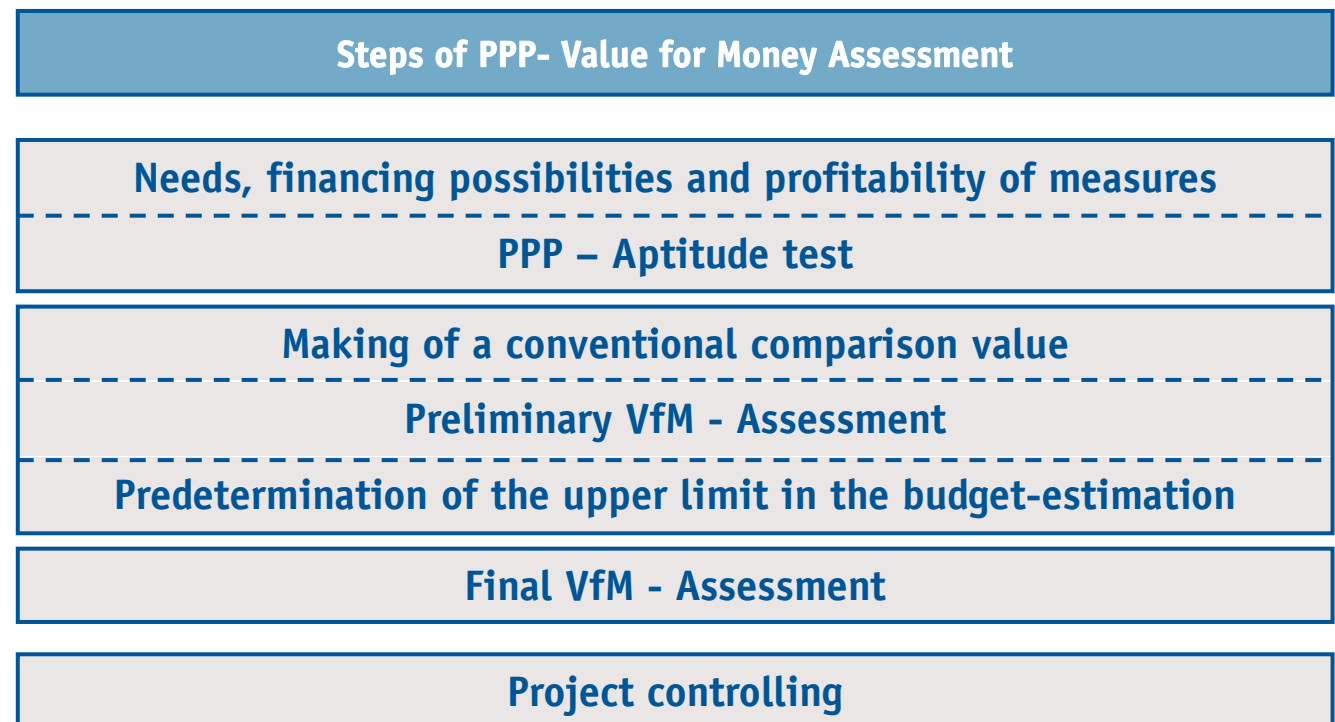
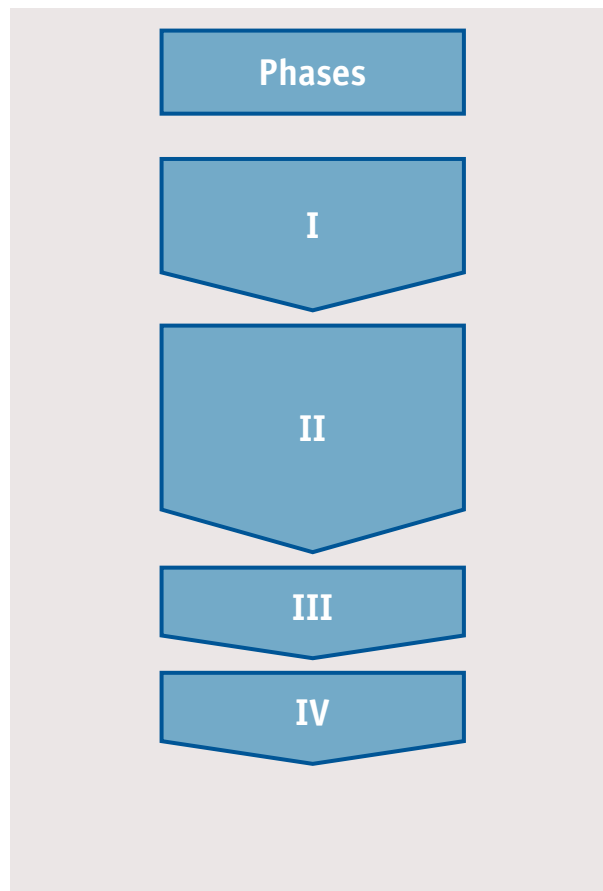
- The German projects are bankable because of the structure of projects and the size of the projects
- Higher participation of public authorities (start-up financing)
- Model with transport and revenue risks, but without risks in changing toll charges (A8 2. BA)
- Models with availability risks (A9); transport risks but no revenue risks
- Financing commitments allowed for several bidders as long as competition is preserved; non-binding financing commitments („uncommitted offers“) from EIB are accepted in first bidding phase
- Shortening of binding periods

Financial need, strategy and implementation



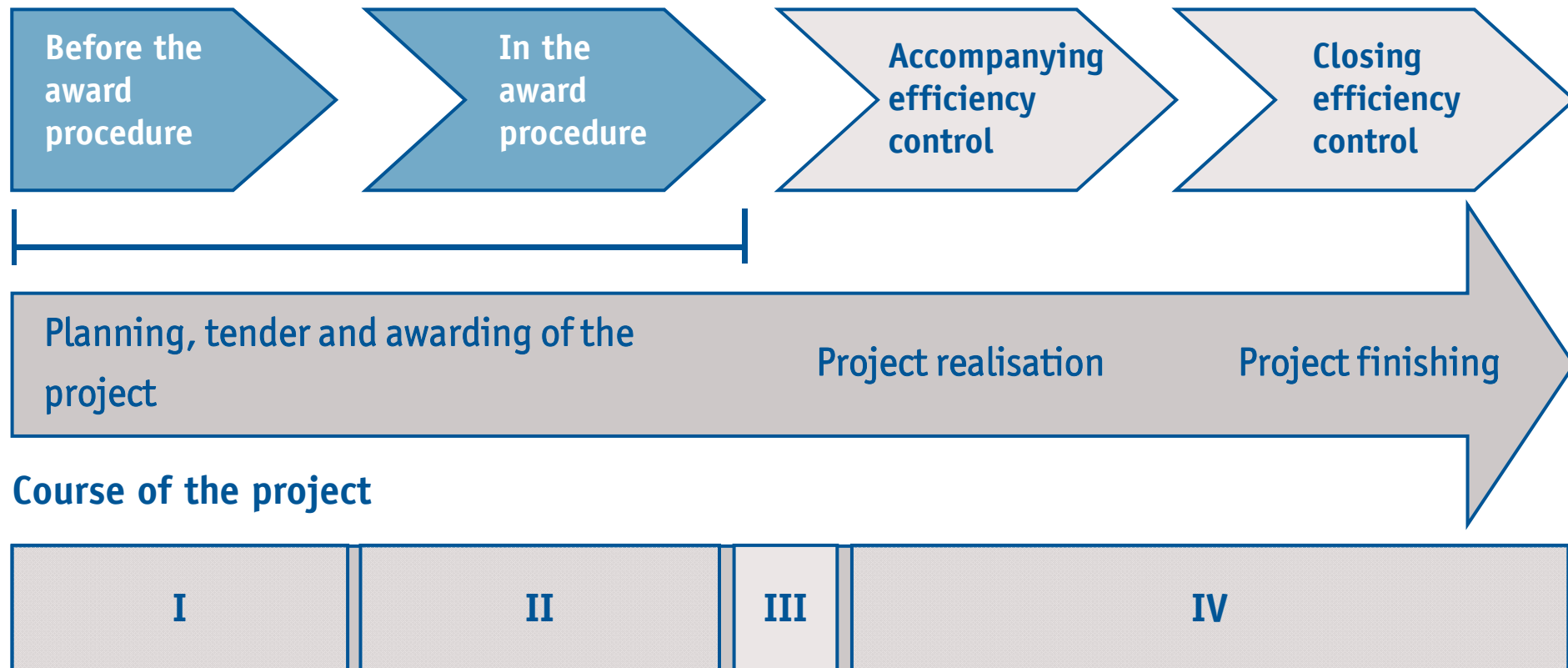
- Payment mechanism of PPP-Projects should maintain in goal congruence between public and private partners
- The amount of the payment depends on the achievement of the project goals defined by the public authorities.
- The payment should result in subject to the service, which can be directly affected by the private partner.

Guidance of ministers for finance from state level



- The application of the guidance is advised by Ministry of Finance
- The guidance should not be an instruction for accomplishments, but should define minimum standards for all sectors

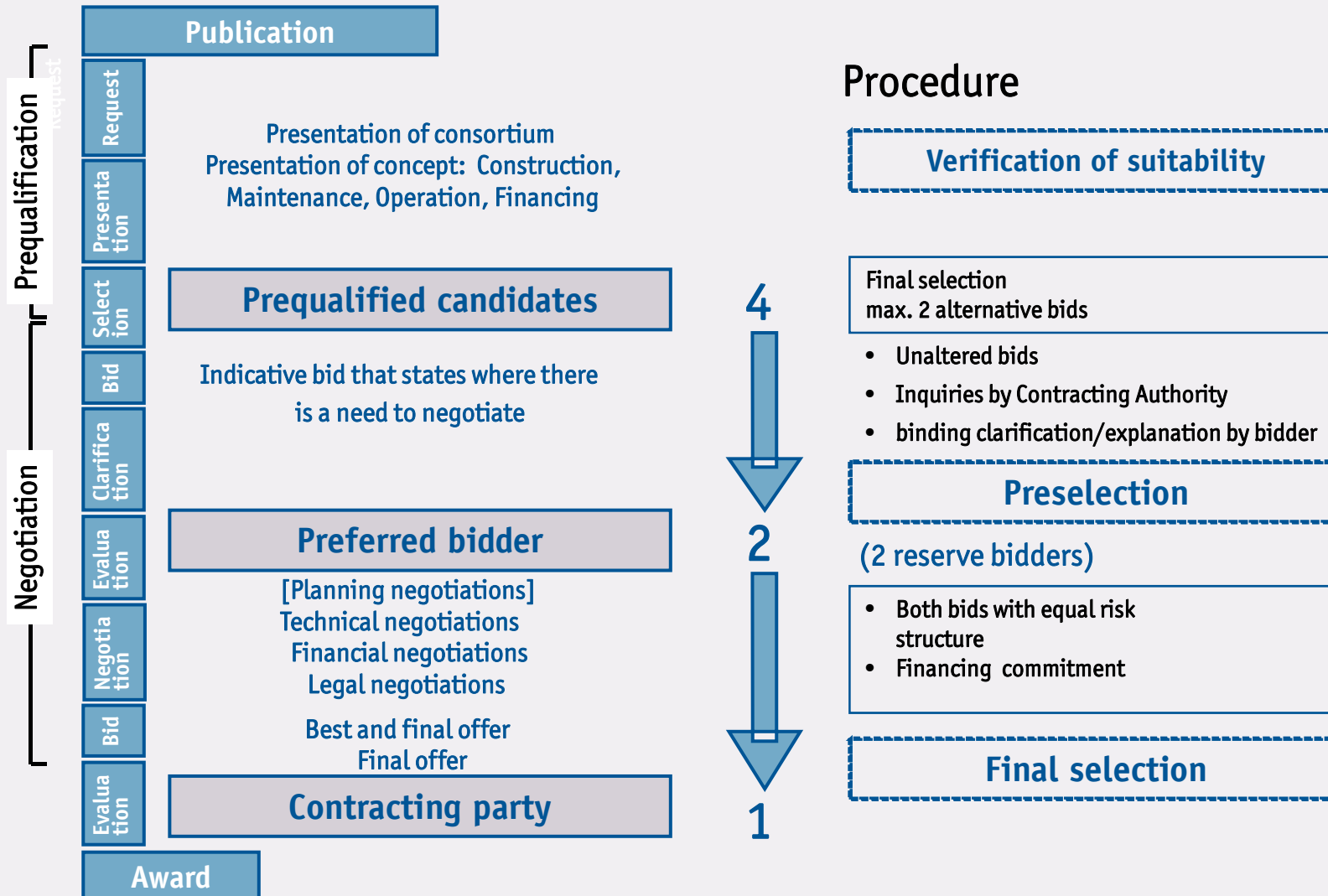
Connection of project development and realisation



Phases of the economic feasibility study according to the „FMK-Leitfaden“

⇒ Possibility for a closing evaluation

Structured Negotiated Procedure



Verkehrsinfrastrukturfinanzierungsgesellschaft



VIFG
VerkehrsInfrastruktur-
FinanzierungsGesellschaft mbH

Georgenstraße 25

10117 Berlin

Phone: +49 (30) 5 20 02-62 10

Fax: +49 (30) 5 20 02-62 12

E-Mail: vifg@vifg.de

URL: <http://www.vifg.de>

Managing Director

Prof. Torsten R. Böger

torsten.boeger@vifg.de

Phone +49 (30) – 5 20 02-62 10

Managing Director

Robert Scholl

robert.scholl@vifg.de

Phone +49 (30) – 5 20 02-62 10