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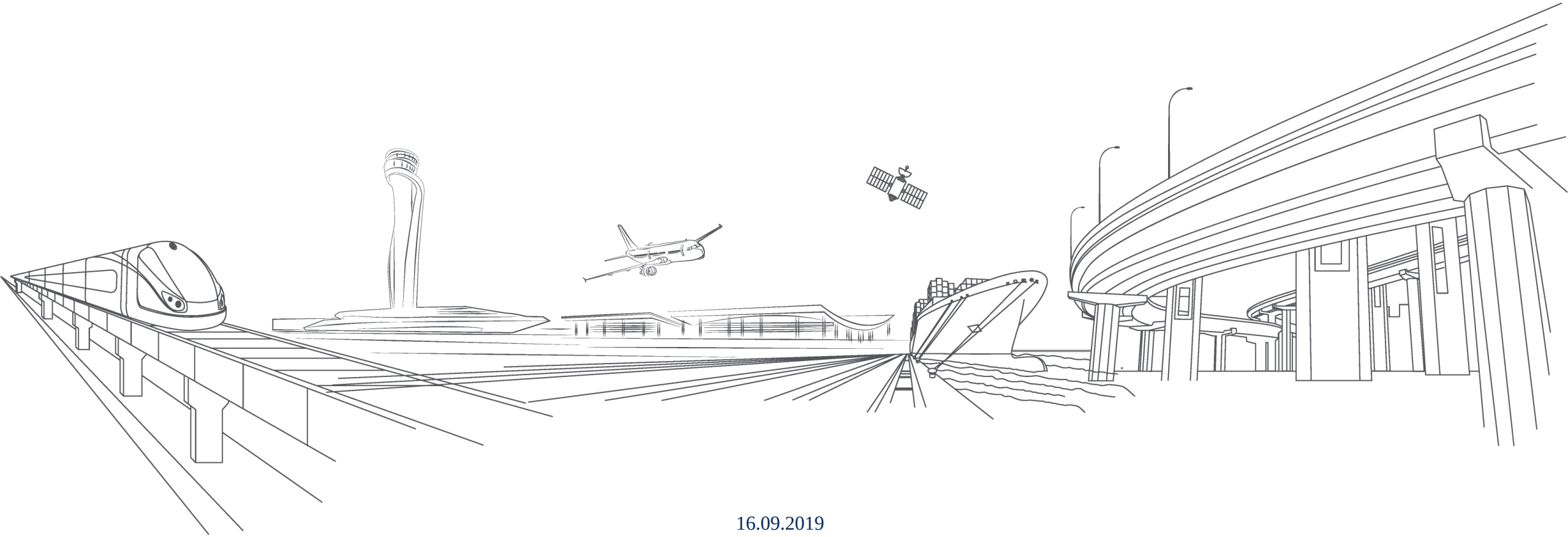

16.09.2019

INVESTMENTS OF PUBLIC PRIVATE PARTNERSHIPS

ALTYAPI YATIRIMLARI
GENEL MÜDÜRLÜĞÜ

Public-Private Partnership (PPP)

- In general terms, PPP can be described as "realization of investment and services based on a contract by sharing the costs, risks and returns of the project between public and private sectors".
- The most important feature that distinguishes this method from classical methods is that the cooperation between private and public bodies continues not only during the construction but also during the operation phase, besides it creats a synergy in both construction and operation periods between public and private sectors.

Advantages of Public Private Partnership (PPP) Projects

- Reduction of public debt burden,
- Providing ease of financing,
- In addition to this advantage, the scope of the private sector is expanded with the BOT and the entry of foreign capital inflow to the country is easier.
- The new investment areas opened to foreign capital have a positive impact on GDP.
- The BOT model increases the applicability of the private sector's profitability, efficiency and efficacy principles and the understanding of performance management system to public services.
- It also accelerates the transfer of advanced technology to public services. This enables the provision of public services with lower costs and higher quality.
- Proper identification of risks of project and sharing of them with respect to necessary assessments,
- Unlike the feasibility of other public investments, public/private comparison analysis is prepared,
- Transparent and competitive tender environment,
- Support of high level (political) decision-makers,
- Existence of central coordination unit,
- Monitoring and reporting of projects with a qualified monitoring and evaluation system,

PPP PROJECTS MODELS UNDERTAKEN BY DG INFRASTRUCTURE INVESTMENT

INFRASTRUCTES UNDERTAKEN BY PUBLIC BUDGET, SUPERSTRUCTURES BY BOT

- Karasu Port *
- Çanakkale Port Superstructure *
- Kumkuyu Marina Port *
- Alanya Marina Port *
- Mersin Marina Port *
- Sığacık Marina Port *
- Çeşme Marina Port *
- Kaş Marina Port (2nd. Part Cnstruction) *
- Yalova Marina Port *

PROJECTS FULLY UNDERTAKEN BY BOT

- EUROSIA Tunnel (Devlet Garantili)
- Bodrum Passenger Pier *
- Didim Marina Port *
- Muğla – Ören Marina Port *
- Turgutreis Marina Port *

AYGM
ALTYAPI YATIRIMLARI GENEL MÜDÜRLÜĞÜ

❖ No government guarantee is issued for the tenders of coastal structures made by our Institution with BOT Model.

TENDER EVALUATION CRITERIA

1- Investment Period + Operating Period = Total Contract Duration

- The technical criteria and minimum requirements of the project are determined by the Contracting Authority
- Tenderers meeting the Qualification Criteria (Balance Sheet, Turnover, Work Experience, etc.) are invited to bid.
- Bidders are requested to submit their Technical Approaches (Projects, Work Program, Quality / Environment / Business Management Plans, Maintenance and Operation Plans, etc.) and Total Contract Duration (Financial Proposal) including Construction + Operation.
- The tender is left on the tenderer who has the highest technical score and offers the lowest contract duration.
- The Eurasia Tunnel was based on 27% Technical 73% Financial (Contract Period) weight.

EURASIA TUNNEL PROJECT

- **Project Model** Build Operate Transfer
- **Total Investment:** 1,245 milliard $
- **Traffic Capacity** 120,000 per veh/day
- **Guaranteed # of veh** 25 million per veh/year

- **Contract Duration: 29 years**
  - **Construction** 4.5 years
  - **Operation:** 24.5 years

TENDER EVALUATION CRITERIA

2- Duration Fixed / Usage Price and Investment Amount

- The construction and operation period of the project is determined by the Contracting Authority.
- The dossiers of the eligible bidders as a result of the technical evaluation are taken into financial evaluation.
- The maximum usage price and investment amount offered are evaluated.
- The final evaluation is made according to the Technical and Financial assessments and the responsible company is determined.

DİDİM MARINA PORT

- **Infrastructure and superstructure was undertaken by BOT**
- Wave breaker construction,
- Dock construction
- Pier construction
- Electrical and mechanical works
- Superstructure construction works
- Marina capacity : 600 + 600 yachts

Tender date	13 November 1995
Contract date	21 August 1997
Commissioning date	28 April 2009
Construction period	2 years 6 months
Operation period	22 years 6 months
Transfer Date	28 October 2031
2017 usage fee	46.273,26 $
Rent	% 8 (Fixed)
Investment amount	12.000.000,00-$

TENDER EVALUATION CRITERIA

- The time was kept fixed.
- Investors rated 70 and higher as a result of technical evaluation.
- The main criterion in the financial evaluation is the total investment amount to be made and the total cost of use to be paid during the operating period.
- The technical bids of the tenderers and the financial bids of the tenderers were evaluated on the basis of 40% and 60%, respectively.

YALOVA MARINA PORT

- **Infrastructure was undertaken by government budget, Superstructure construction and equipment by BOT model.**

- 531 m main breakwater,
- 248 m sub breakwater,
- 230 m -3,0 m dock,
- 266 m piled dock wave breaker
- Traver lift dock,
- 4 pcs 390 m marina,
- Protected water area: 60.000 m^2
- Infrastructure construction was completed in 2004.
- Total capacity: 240 yacht in water , 80 yacht out; Total: 320 yacht

Tender date	11 July 2007
Contract date	03 September 2008
Commissioning date	14 June 2010
Construction period	1 year 6 months
Operation period	23 years 6 months
Transfer Date	14 December 2033
2017 usage fee	1.286.974,71-TL
Rent	Production Index
Total Investment Amount	3.990.431,00-$

TENDER EVALUATION CRITERIA

- The time was kept fixed.
- Investors rated 70 and higher as a result of technical evaluation.
- The main criterion in the financial evaluation is the total investment amount to be made and the total cost of use to be paid during the operating period.
- The technical bids of the tenderers and the financial bids of the tenderers were evaluated on the basis of 40% and 60%, respectively.

TENDER EVALUATION CRITERIA

3- Compensation of Duration and Investment Amount

- The construction and operation time of the project is proposed by the tenderer.
- The dossiers of the eligible bidders as a result of the technical evaluation shall be taken into financial evaluation.
- It is evaluated by considering the maximum investment amount and minimum time offered.
- The final assessment is made according to the Technical and Financial assessments and the contractor is determined accordingly.

KARASU HARBOUR

- **Main and sub breakwater was undertaken by goverment budget, superstructure with defaults and equipment by BOT model.**

- 1600 m main breakwater,
- 625 m sub breakwater,
- 894 m -11m dock, 60 m 2x30 Ro-Ro ramp,
- Harbour was commerced to date in 16 January 2017 partially

Tender date	25 May 2011
Contract date	07 December 2011
Commissioning date	16 January 2017
Construction period	1 year 6 months
Operation period	17 years 8 months
Transfer Date	16 September 2034
2017 usage fee	No
Rent	No
Total Investment Amount	73.114.193,00-$

TENDER EVALUATION CRITERIA

- Maximum Investment Cost and Minimum Operating Time have been compiled.
- The technical bids of the tenderers were evaluated by 35% and the financial bids by 65%.
- Usage Fee Not requested.

TENDER EVALUATION CRITERIA

4- Duration, Investment Amount and Service Charges Fixed

- The technical criteria and minimum requirements of the project are determined by the Contracting Authority
- Tenderers meeting the Qualification Criteria (Balance Sheet, Turnover, Work Experience, etc.) are invited to bid.
- The construction and operation period of the Project, as well as service sharges are determined by the Contracting Authority.
- The maximum premium offered for the transfer of rights for operation period is evaluated.
- The final evaluation is made according to the Financial assessments and the responsible company is determined.

ISTANBUL AIRPORT PROJECT

- **Project Model** Build Operate Transfer
- **Total Investment:** 10,2247 Billion EUR
- **Total Capacity** 200 million passenger
- **Guaranteed Income** 6,3 Billion EUR for 12 years of operation

- **Contract Duration: 25 years**
  - **Construction** 42 months
  - **Operation:** 25 years

RISK MANAGEMENT

- Risks are determined during prefeasibility phase
- How risks should be shared between public and private are proposed by the feasibility
- The prefeasibility study and go/no go desicion is given by Presidency for PPP projects
- Project risks are shared between public and private bodies, such as currency risk, income risk, corruption or bancrupcy of the incumbent company, minör and major risk events that can affect the constructionperiod and or operation period.
- In order to ensure investment risks, % 80 / % 20 credit/equity ratio limits the amount of credit to be used by private body in BOT projects, which limits public body to give guarantee up to % 80 of investment amount.
- In exchange for private investment, public body give income guarantee to counter part. Traffic levels are guaranteed in parallel to current level of traffic of the existing facilities and below total investment amount. E.g. Total income guarantee for İstanbul airport is 6,3 billion Euros for 12 year, and this amount can be kept by the current passenger traffic of Ataturk Airport.Guaranteed amount is well below the total investment amount of 10,247 billion Euro for Istanbul Airport.
- In order to eliminate operational risks and ensure operational readiness, a test period for the facility is followed with respect to internationally recognised institutions' safety, operability standarts. After certification is completed, the commencement of the operation is allowed.

RISK MANAGEMENT

FIRST 12 YEARS INCOME GUARANTEE (INTERNATIONAL OUTGOING AND INT/INT TRANSIT/TRANSFER PASSENGERS)

YEARS	1	2	3	4	5	6	7	8.YIL	9.YIL	10.YIL	11.YIL	12.YIL	TOPLAM
AMOUNT OF GUARANTEE	316.351.370 €	333.847.140 €	350.793.880 €	367.279.855 €	540.582.936 €	563.060.583 €	585.105.273 €	606.750.008 €	628.020.180 €	648.935.580 €	669.511.824 €	689.761.373 €	6.300.000.001 €

In Istanbul Airport, DHMI gave the income guarantee to the incumbent company for 12 years that calculated through expected number of passenger. It is 6.300.000.000 Euro totally and you can see the distribution of guarantee amount by years in the above table.

Consequently, DHMI gave a guarantee to the company that is approximately %61,5 of total investment amount (10.247.000.000 €) and lead up to find enough credit from financial companies.

GENERAL DIRECTORATE OF INFRASTRUCTURE INVESTMENTS

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