

Design, Financing, Construction, and Facility Management of 10 School Buildings in the Attica Region (Greece) through a PPP

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The Project



The scope of the PPP contract concerns the design, financing, construction, and facility management of 10 school buildings in Attica Region.

1. High school in Akadimia Platonos
2. Senior High school in Sepolia
3. Kindergarten in Sepolia
4. Musical high school in Akadimia Platonos
5. Musical senior high school in Akadimia Platonos
6. Special school for occupational education in N.Irakleio
7. Special school for occupational education in Megara
8. Primary school – Kindergarten in Oropos
9. High school in Oropos
10. Senior high school in Athens

Duration of contractual cooperation: 27 Years
Estimated Budget: 59,4 mil. €.

Involved partners?

From the Public side: School Building Organisation S.A

From the private side-Temporary Contractor : J & B AVAX S.A.

Legal framework for PPP contracts implementation



Law 3389/2005 “Partnerships between the public and private sectors”

Main issues of the law:

- Defines the concept of PPPs, their scope, and conditions for subsumption in the law
- Predicts the institutional framework for the creation of two administrative bodies, the Interministerial Committee and the Special Secretariat of PPPs, that will undertake the operational and managerial support for public bodies in carrying out PPP projects
- Determines the procedures for awarding PPP projects
- Defines of the “Contracting” framework and financing issues
- Regulates legal issues, which arise and concern the partnerships, such as tax issues, dispute settlement, etc.

Why PPP was used instead of any other financial solutions?

Lack of public funds for the implementation of the public project

Work carried out by the public entity



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- Determination of the general framework Partnership
- Determination of the technical characteristic of the project
- Evaluation of proposals private
- Support on the implementation of Project
- Monitor implementation and compliance with contractual obligations of the private entity

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Work carried out by the private entity



- drawing up of all the necessary studies that will be submitted during the execution of the PPP contract, as well as all necessary actions and the drawing up of all necessary documents, in order to secure that all the licences and approvals required by the provisions in force will be issued on time.
- all works necessary for the construction of the building infrastructures of the Project and the reconstructing and planning of the surrounding areas, as these will be described analytically during the 2nd Phase of the Tender, in order for the aforementioned infrastructure and areas, to be fully available for use for the purpose intended.
- the financing of the project with its own or/and loan capitals,
- the facility management for the whole duration of the PPP Contract, (inspection, preventive and corrective maintenance, heavy maintenance, everyday technical operation, etc), in order to secure that the Project will be ready on time and available, according to the availability requirements as will be defined in the Tender Document of the 2nd Phase of the tender

Work carried out by the private entity



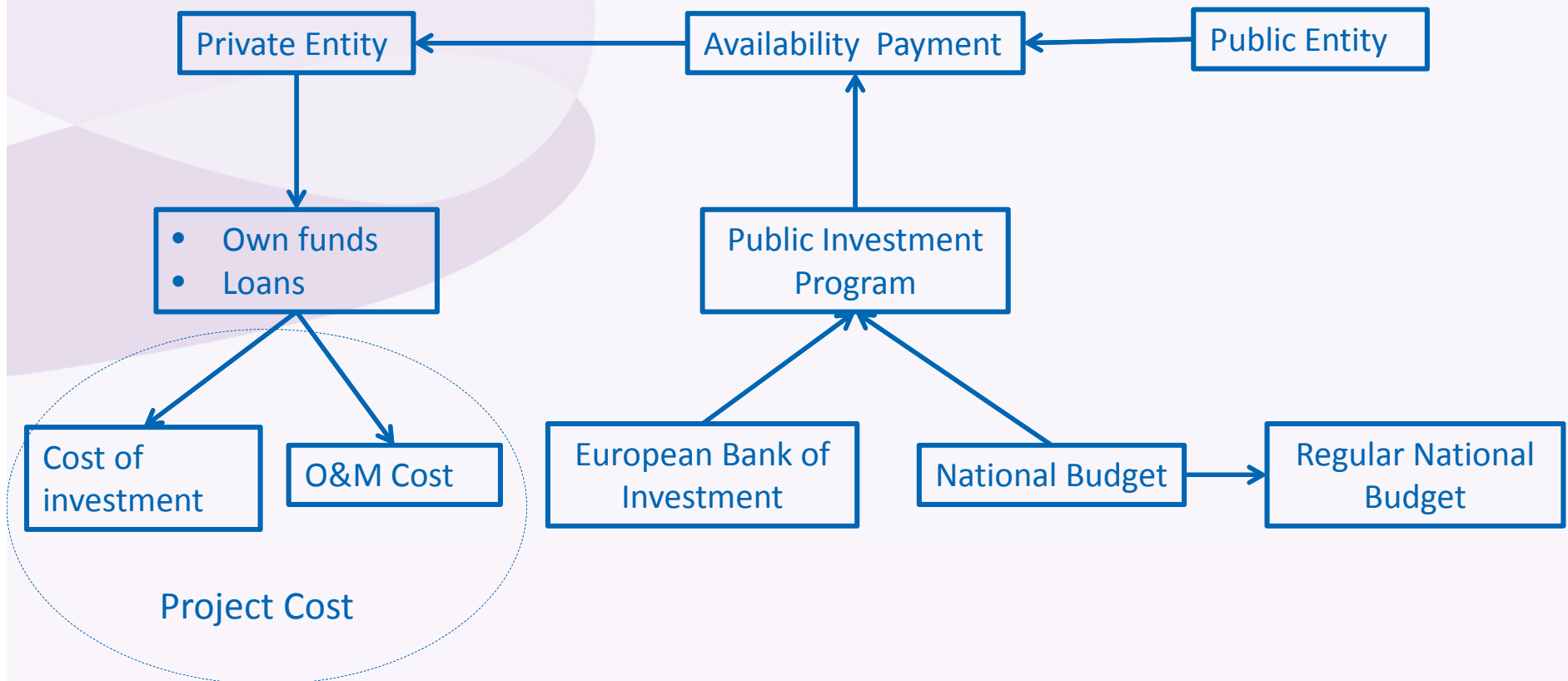
- the insurance of the building and other infrastructure installations and systems that constitute the subject matter of the PPP contract, during the design, the construction and the operation of the Project as will be defined in the Tender Document of the 2nd Phase of the tender and
- the guarding and securing of the buildings and the rest of the infrastructure installations and systems, which constitute the subject matter of the PPP contract, during the operation and throughout the whole of the duration of the PPP contract, as will be defined in the Tender Document of the 2nd Phase of the tender and subject to the provisions of the legislation relating to the protection of personality and personal data of the members of the educational community.

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Financing Mechanism



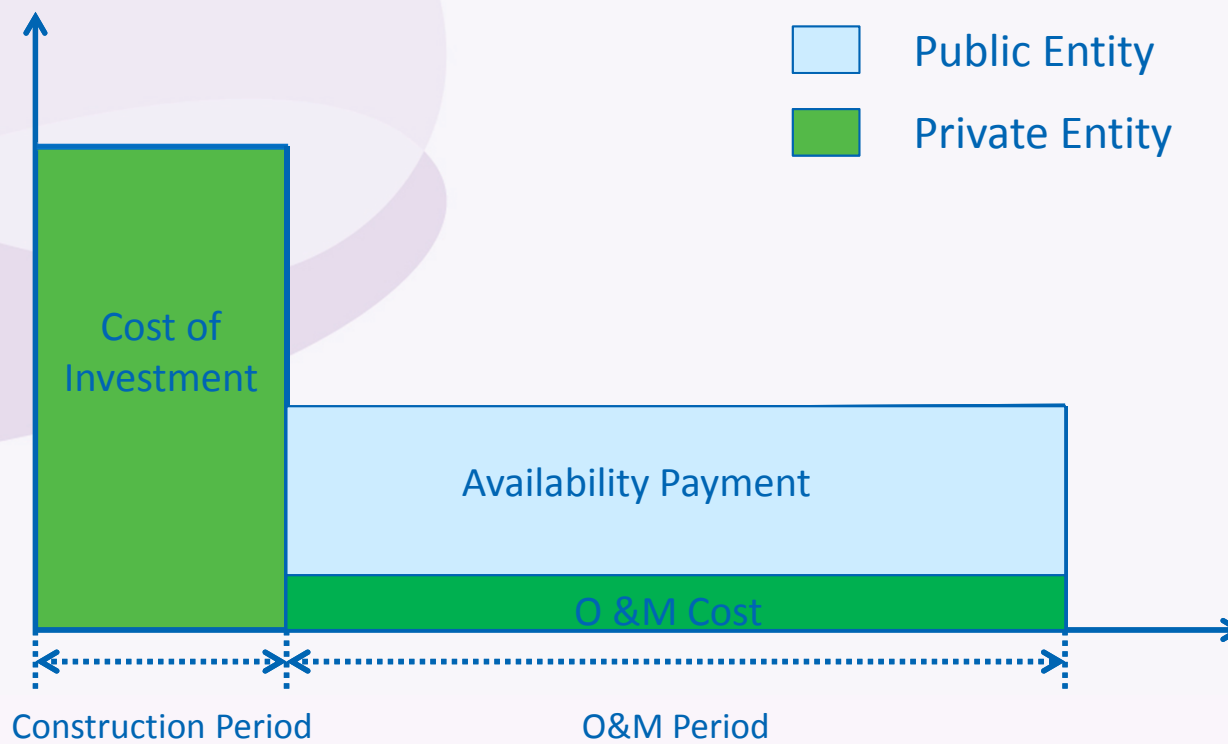
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Financing Mechanism



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Risks were taken by the private entity



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1. Contraction risk

- timeschedule (with appropriate extensions for force majeure events)
- ground conditions
- Licensing
- excess costs and
- appropriateness of the design / study on the prescribed outcome.

2. Availability Risk

3. Operation Risk:

- regular and periodic maintenance throughout the life of the project
- equipment replacement program,
- Cost of employer / retirement
- changes in employment law, health, safety and other areas, and
- final project value.

Risks were taken by the public entity



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The public entity is called to answer to the following questions:

- Why it chooses the PPP scheme?
- Are the projects that implemented through PPP more expensive?
- Do the PPP projects have a longer duration and increased costs during the procurement procedure?
- The public entity loses the control of the project? The public entity ceases to supervise the provision of services to citizens?
- PPPs are less flexible?

Conclusions



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Challenges occurred during the different phases of partnership:

- Better communication between the involved parties is needed
- Parallel control mechanism by the Contracting Authority is needed

Success factors:

- Shorter time integration of infrastructure and the services
- The construction cost of the specific project shared in future budgets of the public body avoiding short-term disbursements, and allow for notice and enforcement larger number of projects
- Social and economic benefits

The construction of project's schools will had completed before the end of 2013

Thank you for your attention



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