

# **THE PHILIPPINE BOT PROGRAM**

**Build-Operate-Transfer (BOT) Center  
Philippines**

October 2007

# LEGAL FRAMEWORK

- ◆ One Governing Law
  - The Philippine BOT Law
    - Republic Act 6957, as amended (R.A. 7718)
- ◆ Highlights
  - Many allowable variants
  - Unsolicited proposals allowed
  - Covers most infrastructure sectors
  - Reasonable rate of return
  - Institutionalized government support

# RA 7718: TITLE AND DECLARATION OF POLICY

## ◆ Title

- An Act Amending Certain Sections of RA 6957, Entitled “An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes.”

## ◆ Declaration of Policy

- Recognition of private sector’s role in development
- Provision of incentives to mobilize private resources
- Climate of minimum government intervention
- Specific GOP undertakings to support private sector

# AUTHORIZED BOT VARIANTS

- ◆ Build-Operate-Transfer (BOT)
- ◆ Build and Transfer (BT)
- ◆ Build-Own-and-Operate (BOO)
- ◆ Build-Lease-and-Transfer (BLT)
- ◆ Build-Transfer-and-Operate (BTO)
- ◆ Contract-Add-and-Operate (CAO)
- ◆ Develop-Operate-and-Transfer (DOT)
- ◆ Rehabilitate-Own-and-Transfer (ROT)
- ◆ Rehabilitate-Own-and-Operate (ROO)
- ◆ Other variations as may be approved by the President of the Philippines

# ELIGIBLE INFRASTRUCTURE PROJECTS

- ◆ Power Plants
- ◆ Highways
- ◆ Railroads & Railways
- ◆ Ports
- ◆ Airports
- ◆ Transport Systems
- ◆ Telecommunications
- ◆ Information Technology
- ◆ Canals, Dams, Irrigation, Water Supply
- ◆ Land Reclamation
- ◆ Sewerage, Drainage, Dredging, Solid Waste Management
- ◆ Tourism, Education, Health Facilities
- ◆ Industrial & Tourism Estates
- ◆ Markets, Warehouses, Slaughterhouses
- ◆ Housing
- ◆ Government Buildings
- ◆ Other Infrastructure/ Development Project

# UNSOLICITED PROPOSALS

- ◆ Government agencies/LGUs may accept unsolicited proposals if:
  - New concept or technology and/or not in the list of priority projects
  - No direct government guarantee, subsidy, equity
  - Government agency/LGU concerned must solicit comparative proposals

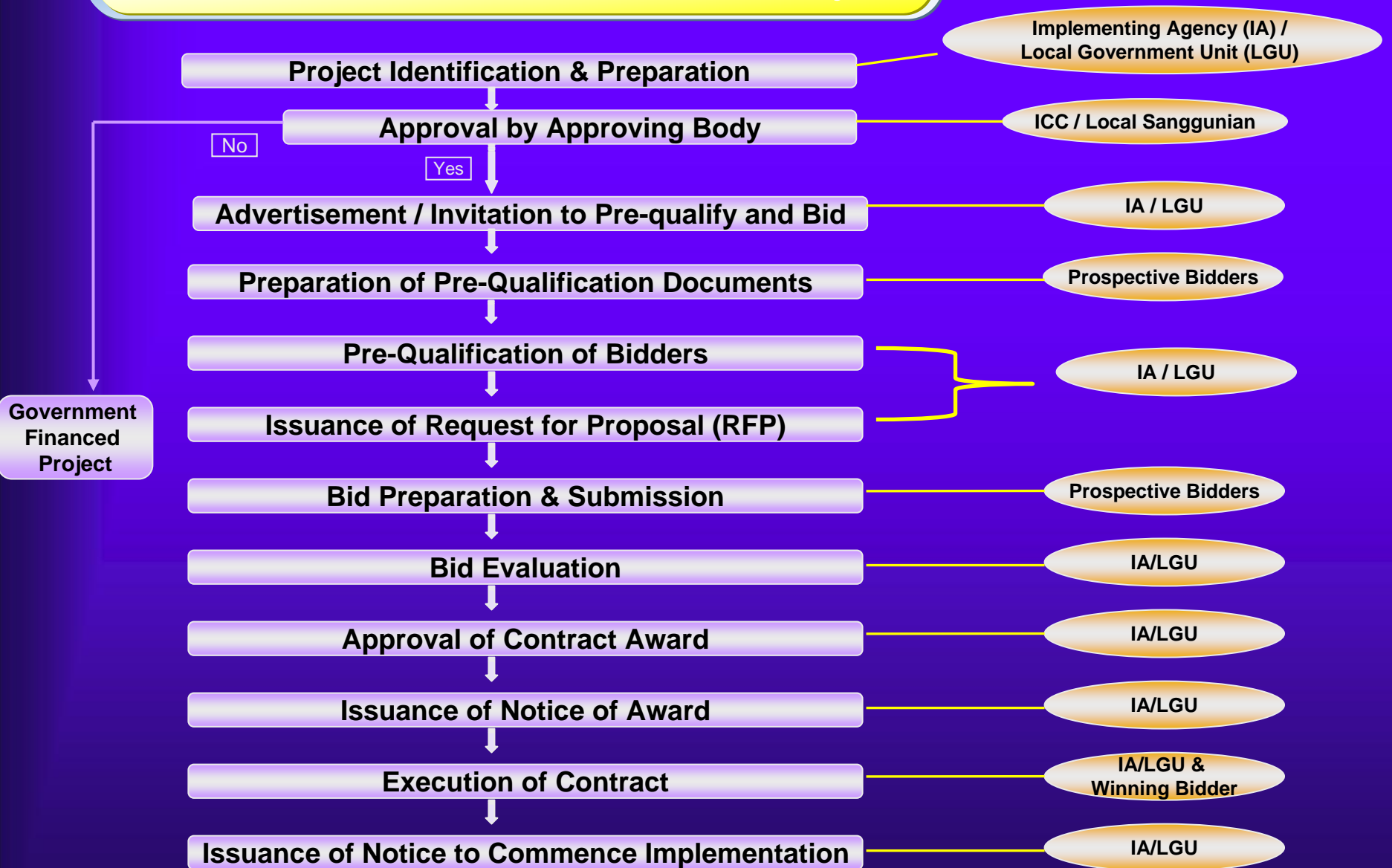
**BOT/PSP PROGRAM BREAKDOWN BASED ON STATUS**  
**(as of December 2006)**

	<b>No. of Projects</b>	<b>Estimated Project Cost (in US\$ M)</b>
<b>Completed/Terminated</b>	<b>19</b>	<b>1,135.50</b>
<b>Under Concession/Operational</b>	<b>44</b>	<b>17,983.18</b>
<b>Awarded/Under Construction</b>	<b>14</b>	<b>1,230.84</b>
<b>Solicited - Bidding Stage</b>	<b>2</b>	<b>103.64</b>
<b>Solicited – For Approval</b>	<b>1</b>	<b>682.20</b>
<b>Solicited - Projects Under FS/Bid Preparation</b>	<b>5</b>	<b>895.79</b>
<b>Unsolicited Proposals – For Approval</b>	<b>3</b>	<b>2,175.30</b>
<b>Unsolicited Proposals - For Negotiation</b>	<b>4</b>	<b>319.06</b>
<b>TOTAL</b>	<b>92</b>	<b>24,525.51</b>

**BOT/PSP PROGRAM - SECTORAL BREAKDOWN**  
**(as of December 2006)**

	<b>No. of Projects</b>	<b>Estimated Project Cost (in US\$ M)</b>
<b>Power</b>	<b>43</b>	<b>9,511.00</b>
<b>Transport</b>	<b>16</b>	<b>6,088.69</b>
<b>Information Technology</b>	<b>10</b>	<b>341.52</b>
<b>Water</b>	<b>7</b>	<b>7,939.90</b>
<b>Property Development</b>	<b>13</b>	<b>228.40</b>
<b>Health</b>	<b>1</b>	<b>1.00</b>
<b>Others</b>	<b>2</b>	<b>415.00</b>
<b>TOTAL</b>	<b>92</b>	<b>24,525.51</b>

# The Procurement Process for a Solicited Project



## Timeline for Solicited BOT Projects

Activity	Concerned Entity	Timeframe
Project Identification & Preparation	IA/LGU	
Approval by Approving Body	ICC / Local Sanggunian	Within 30 days
<b>Advertisement/Invitation to Pre-qualify and Bid</b>		
Publication of Invitation to Pre-qualify & Bid	IA/LGU	Once every week for 3 consecutive weeks
Issuance of Pre-Qualification (PQ) Docs	IA/LGU	Usually until a few days after last date of publication
Preparation of PQ Docs	Bidders	At least 30 days < PhP 300M At least 45 days > PhP 300M
<b>Pre-Qualification of Bidders</b>		
Evaluation of PQ Docs	IA/LGU	Within 30 days
Issuance of PQ Result	IA/LGU	Within 7 days

## Timeline for Solicited BOT Projects

Activity	Concerned Entity	Timeframe
Issuance of Request for Comparative Proposal (RFP)	IA/LGU	1 day
Bid Preparation & Submission		
Bid Preparation	Bidders	Approx 90 days < PhP 300M Approx 120 days > PhP 300M
Pre-Bid Conference	IA/LGU & Bidders	1 day
<b>Bid Evaluation</b>		
Opening of Technical Proposals/Completeness Check	IA/LGU	1 day
Evaluation of Technical Proposals	IA/LGU	Within 30 days
Evaluation of Financial Proposals	IA/LGU	Within 15 days

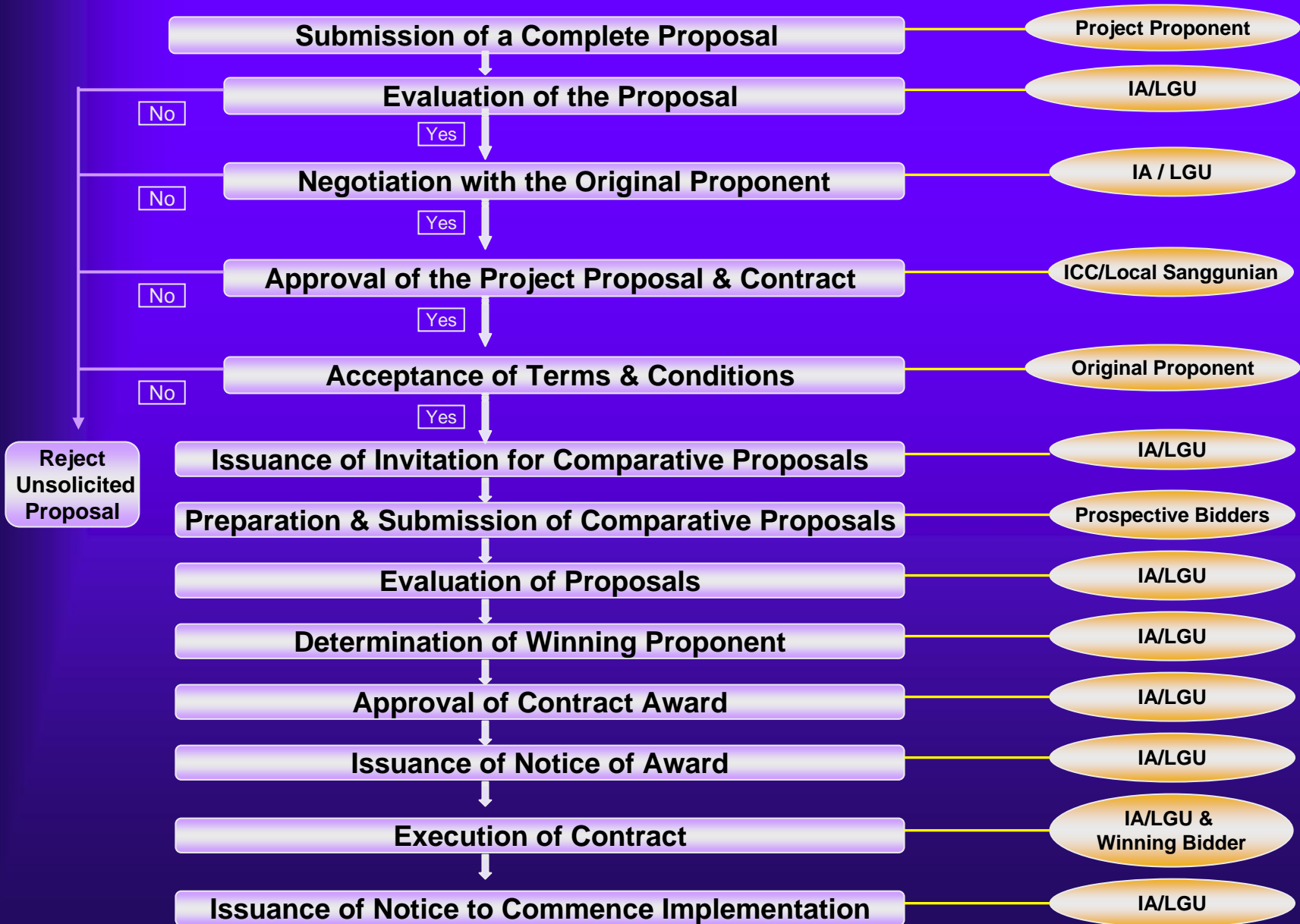
## Timeline for Solicited BOT Projects

Activity	Concerned Entity	Timeframe
<b>Approval of Contract Award</b>		
PBAC's Submission of 'Recommendation to Award' to the Head of IA/LGU	IA/LGU	Within 7 days
Approval of PBAC's Recommendation to Award	IA/LGU Head	Within 7 days
<b>Issuance of Notice of Award (NOA)</b>		
Issuance of NOA	IA/LGU	1 day
Compliance Period with NOA Requirements	Winning Bidder	Within 30 days
Assessment of Winning Bidder's Compliance with NOA Requirements	IA/LGU	Within 7 days
Notification of the Winning Bidder on NOA Compliance	IA/LGU	1 day

## Timeline for Solicited BOT Projects

<b>Activity</b>	<b>Concerned Entity</b>	<b>Timeframe</b>
Execution of Contract	IA/LGU & Winning Bidder	1 day
Issuance of Notice to Commence Implementation	IA/LGU	1 day

# The Procurement Process for an Unsolicited Project



## Timeline for Unsolicited BOT Projects

Activity	Concerned Entity	Timeframe
Submission of a Complete Proposal		
Submission of a Complete Proposal	Project Proponent	
Assessment of Completeness of Proposal	IA/LGU	Within 7 days
Evaluation of the Proposal	IA/LGU	Within 30 days
Negotiation with the Original Proponent	IA/LGU	Within 90 days
Approval of the Project Proposal & Contract	ICC / Local Sanggunian	Within 30 days
Acceptance of Terms & Conditions of Approval	Original Proponent	Within 45 days
Issuance of Invitation for Comparative Proposals	IA/LGU	Once every week for 3 consecutive weeks

## Timeline for Unsolicited BOT Projects

Activity	Concerned Entity	Timeframe
<b>Preparation &amp; Submission of Comparative Proposals</b>		
Preparation of Comparative Proposals	Challengers	Within 60 working days
Pre-bid Conference	IA/LGU	1 day
<b>Evaluation of Proposals</b>		
Evaluation of Qualification Documents	IA/LGU	Within 30 days
Evaluation of Technical Proposals	IA/LGU	Within 30 days
Evaluation of Financial Proposals	IA/LGU	Within 15 days
Determination of the Winning Bidder (“Swiss Challenge”)	IA/LGU	Within 30 working days

## Timeline for Unsolicited BOT Projects

Activity	Concerned Entity	Timeframe
<b>Approval of Contract Award</b>		
PBAC's Submission of 'Recommendation to Award' to the Head of IA/LGU	IA/LGU	Within 7 days
Approval of PBAC's Recommendation to Award	IA/LGU Head	Within 7 days
<b>Issuance of Notice of Award</b>		
Issuance of NOA	IA/LGU	1 day
Compliance Period with NOA Requirements	Winning Bidder	Within 30 days
Assessment of Winning Bidder's Compliance with NOA Requirements	IA/LGU	Within 7 days
Notification of the Winning Bidder on NOA Compliance	IA/LGU	1 day

## Timeline for Unsolicited BOT Projects

<b>Activity</b>	<b>Concerned Entity</b>	<b>Timeframe</b>
Execution of Contract	IA/LGU & Winning Bidder	1 day
Issuance of Notice to Commence Implementation	IA/LGU	1 day