
Sports & Leisure Infrastructure PPP

Pre-Qualification Briefing

20 January 2006



Agenda

- o The Advisors
- o Overview of PPP Principles
- o The Sports and Leisure Infrastructure PPP
 - Expectations of Private Sector
 - Ownership
 - Payment Mechanism
 - Procurement Process
 - Timelines and Milestones
- o Q&A

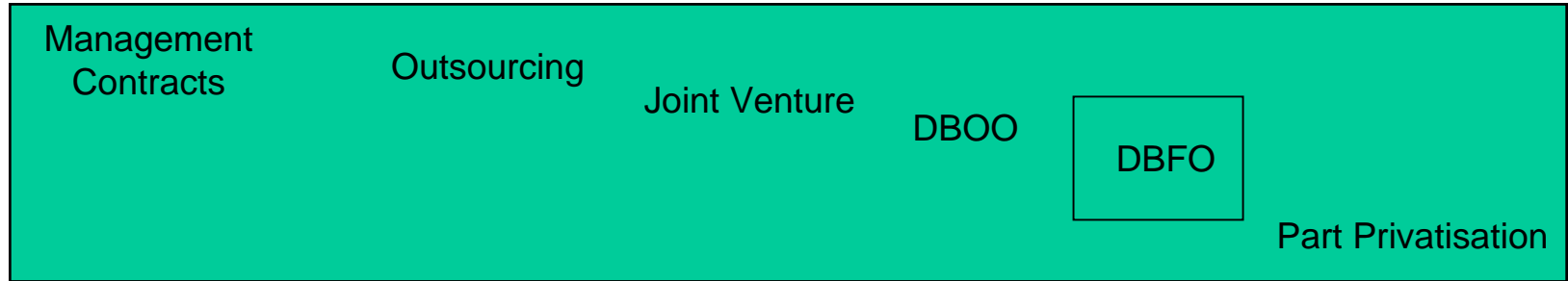


The Advisors

- PwC – Lead Consultants
- Lovells Lee & Lee – Legal Advisers
- PMP – Stadia Consultants
- Davis Langdon & Seah – Technical Advisors
- Our role



PPP Principles



- “Public and Private sector organisations working together to achieve a common objective”
- Basic principles:
 - contract for works and performance of services
 - payment of fees based on the standard of performance of services
 - payments commence only when services commence
- Key:
 - Balancing risk transfer, reward and control
 - “Risk allocated to party that is best placed to manage the risk”

Expectations of the Private Sector

- PPP – Design, build, finance and operate the facilities
- PQ – Financial capacity and technical ability
- ITT – Consortia to provide a response to the tender documents and a price for the:
 - Design
 - Construction of all facilities
 - Finance solution – equity and debt
 - Facilities Management
 - Facilities Operation – attract, promote and manage events
 - Lifecycle and maintenance requirements
 - Insurance

Scope of Works

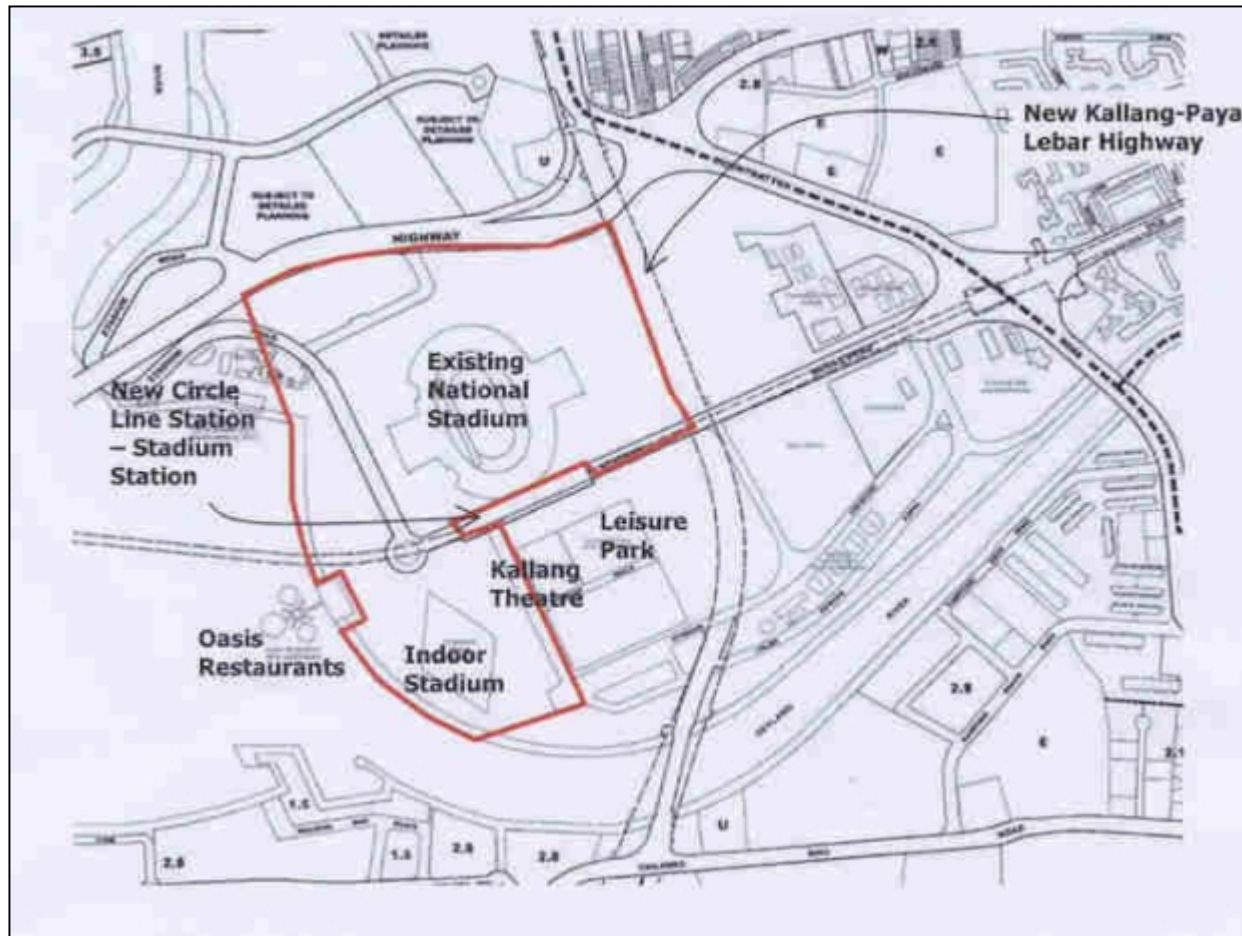
- National Stadium (Permanent roof over spectator & retractable roof over the pitch area with a seating capacity of up to 55,000)
- Multi-Purpose Indoor Arena (Seating Capacity up to 3,000)
- Indoor Aquatic Centre (Seating Capacity up to 6,000), and Leisure Water
- Existing Singapore Indoor Stadium
- Office space for SSC and NSAs
- 200 room elite athlete residence
- Other facilities to include Sports Museum, Medical Facilities, Media Facilities
- Supporting Commercial Facilities (GFA c.34,000 m²)
- Car Parking Facilities and Road Network

Scope of Works

- Supporting services
 - Stadium promotion and operation
 - Cleaning
 - Security
 - Estate Management
 - Management Reporting and help desk
 - Commercial Properties Management (leases etc)
 - Car parking management

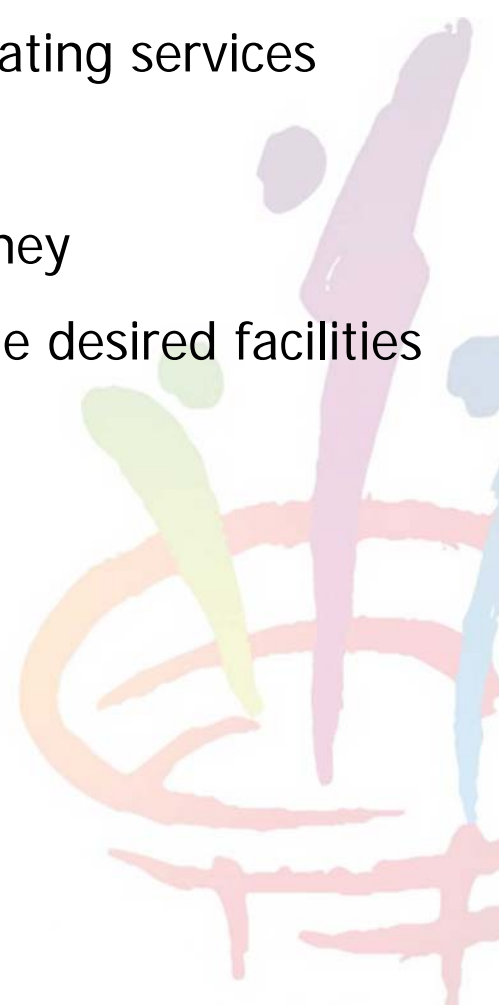


Site Layout



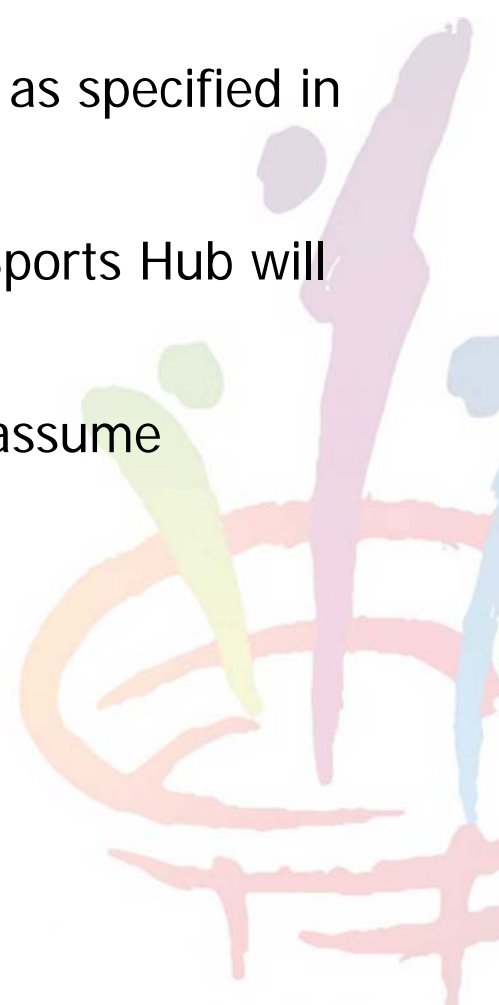
Financial Objectives of Project

- Structure a bankable transaction that:
 - Achieves the Vision; and
 - Delivers the facilities and the associated operating services
- Financial Close – July 2007
- Balance Design Considerations and Value for Money
- Create incentives for PPP Contractor to deliver the desired facilities and services



Ownership

- Government will own the Project site and grant a lease to PPP Contractor
- Government will have usage rights of the facilities as specified in the PPP Contract
- Upon conclusion of PPP Contract and land lease, Sports Hub will revert to SSC at no charge
- At no stage does lender or SPV have any right to assume ownership, sell or redevelop the site



Payment Mechanism

- Infrastructure PPP, NOT a demand risk-dependent stadium financing
- Availability based payment structure
- Modelled on accepted international precedent for accommodation style PPP
- Incentivise PPP Contractor to ensure:
 - Assets are available
 - Services are performed in accordance with the contract
- Basic Formula

$$\text{Unitary Payment} = \text{AP} + \text{VP} - \text{AD} - \text{PD} \pm \text{ADJUSTMENTS}$$

AP = AVAILABILITY PAYMENT: DEBT, EQUITY AND FIXED COSTS

VP = VARIABLE PAYMENT: GOVERNMENT EVENT DAYS

AD = AVAILABILITY DEDUCTIONS

PD = PERFORMANCE DEDUCTIONS

ADJUSTMENTS: THIRD PARTY REVENUE SHARE

Payment Mechanism

AVAILABILITY PAYMENT

- Debt Service Payments
- Fixed costs of servicing Facilities
- Equity Return
- Not dependent on Usage or Event Profile

VARIABLE PAYMENT

- SSC requires a certain number of event days to stage government sponsored events – e.g. National Day Parade
- SSC to specify number
- Fixed Event Cost is bid during procurement, based on forecast attendance numbers
- Low revenue generating
- Variable Payment = Fixed Event Cost – Revenues Generated

Payment Mechanism

PERFORMANCE INCENTIVES

- Deductions levied against UP, for poor performance
- Availability Deductions (AD)
 - If the facility or any part of it is unavailable, the payment is reduced
- Performance Deductions (PD)
 - If services are not performed as required, the payment is reduced
- Non-Financial Remedies:
 - Rectification Plans
 - Formal Warning Notices
 - Service Provider Replacement
 - Contract Termination

Payment Mechanism

ADJUSTMENTS – THIRD PARTY REVENUE SHARE

Vision: “An Iconic Integrated Lifestyle Hub for World Class Sports and Entertainment Events”

- PPP Contractor must attract additional events that improve the financial viability of the Sports Hub
- SSC and PPP Contractor will share revenues generated
- Adjustments = Revenue Share for
 - PPP Contractor Sporting Event Days
 - PPP Contractor Non-Sporting Event Days
 - Naming Rights
 - Rental Income



Procurement Process

1. Pre-Qualification Questionnaire (PQ)

- Objective is to shortlist bidders capable of delivering Project scope
- Submissions
 - Concept paper
 - Consortium and Team Structure
 - Experience & expertise statements
 - Financial statements
 - If members of the consortium are yet to be identified, bidders must illustrate the process they will follow to appoint the consortium member and likely targets

PQ Evaluation Criteria

Criteria	Assessment Method
Compliance / Eligibility	Pass/Fail
Financial Strength	High/Medium/Low
Technical Ability	Score out of 100

Technical Evaluation

No.	Criterion	Maximum score
1	Experience in development of capital intensive projects	5
2	Construction and Hard Facilities Management experience	20
3	Architect	12.5
4	Operations experience (Facilities Management and Stadium Operation*)	25
5	PPP experience	10
6	Financial Advisor	2.5
7	Structure of Applicant	7.5
8	Concept Paper	7.5
9	Bid Team	5
10	Familiarity with local environment	5
	Total	100

Procurement Process - ITT

2. Invitation to Tender (ITT)

- Objective is to appoint a Preferred Bidder who can deliver Project scope at an “affordable” price, with a suitable design
- ITT Submissions
 - Facility Design
 - Service Methodologies for all required services
 - Concession Agreement comments
 - Financial Model including
 - o Unitary Payment
 - o Capital, operating and maintenance, and lifecycle costs
 - o Indicative financing with financing costs
 - o Whole-life cost of project

Procurement Process – Clarification Stage

3. Clarification stage

- Objective to ensure the Bidders satisfy all SSC requirements and can achieve Financial Close
- Submissions (if required)
 - Refined design incorporating comments on ITT submission from Evaluation Team
 - Final Concession Agreement
 - Final Financial Submission
 - o Final financing structure
 - o Revised Financial Model
 - o Revised Unitary Payment and price



Timeline

Issue PQD	15 Dec 2005
PQD submission	28 Feb 2006
ITT to shortlisted Bidders	April 2006
Tender submission	Dec 2006
Final Clarification Stage	Feb 2007
Evaluation of Final Clarifications	Mar 2007
Appointment of Preferred Bidder	May 2007
Financial Close	July 2007
Scheduled commercial operation date of the Sports Hub project will be July 2011 .	

Questions?

