

SUEZ PPP

International private sector success stories in developing water projects:

The business case of BARKA IWP

WIF Riyadh 2016



The latest water PPP deal closed by SUEZ and its Partners:

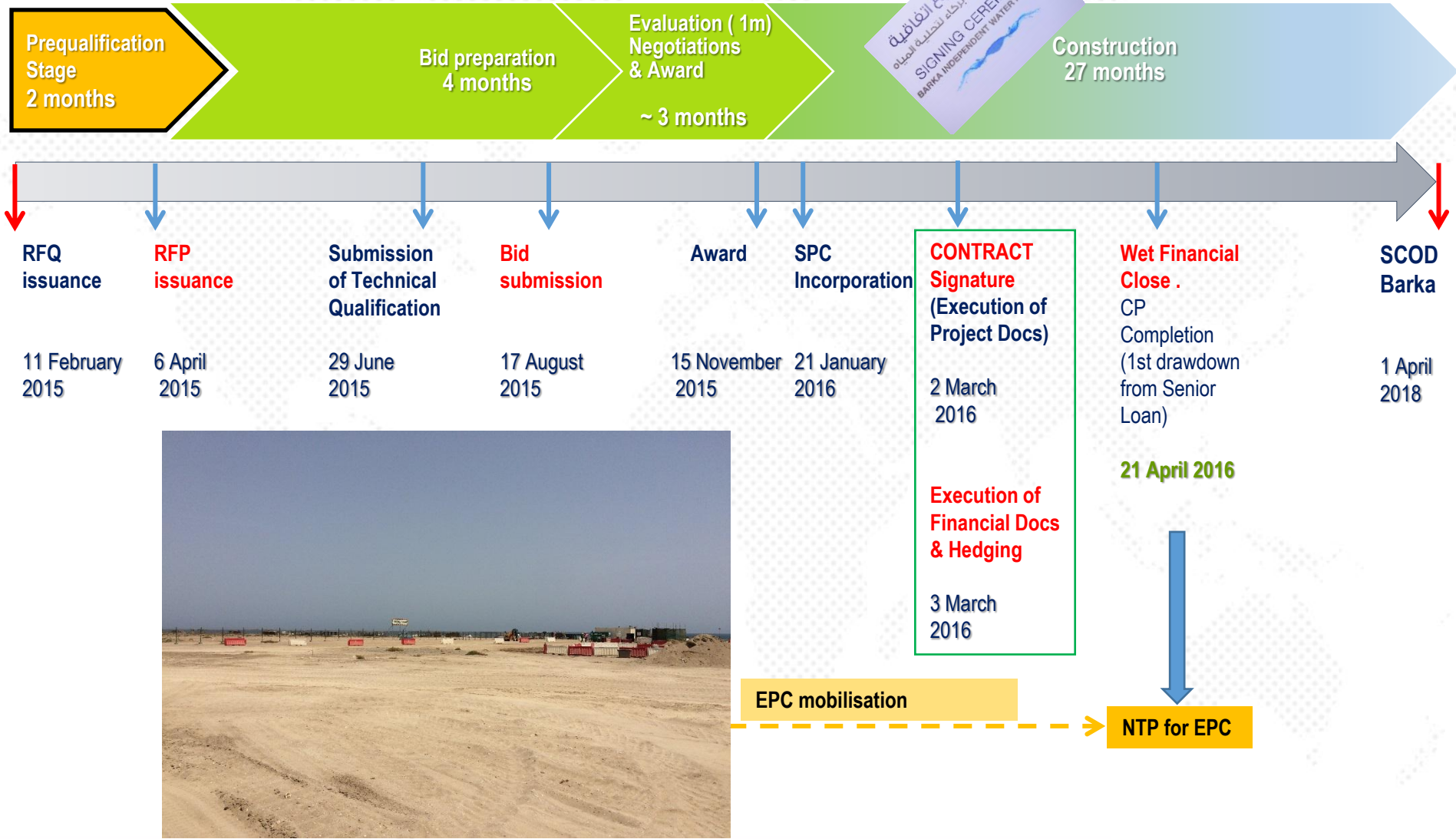
➤ BARKA IWP (Oman)

Overview:

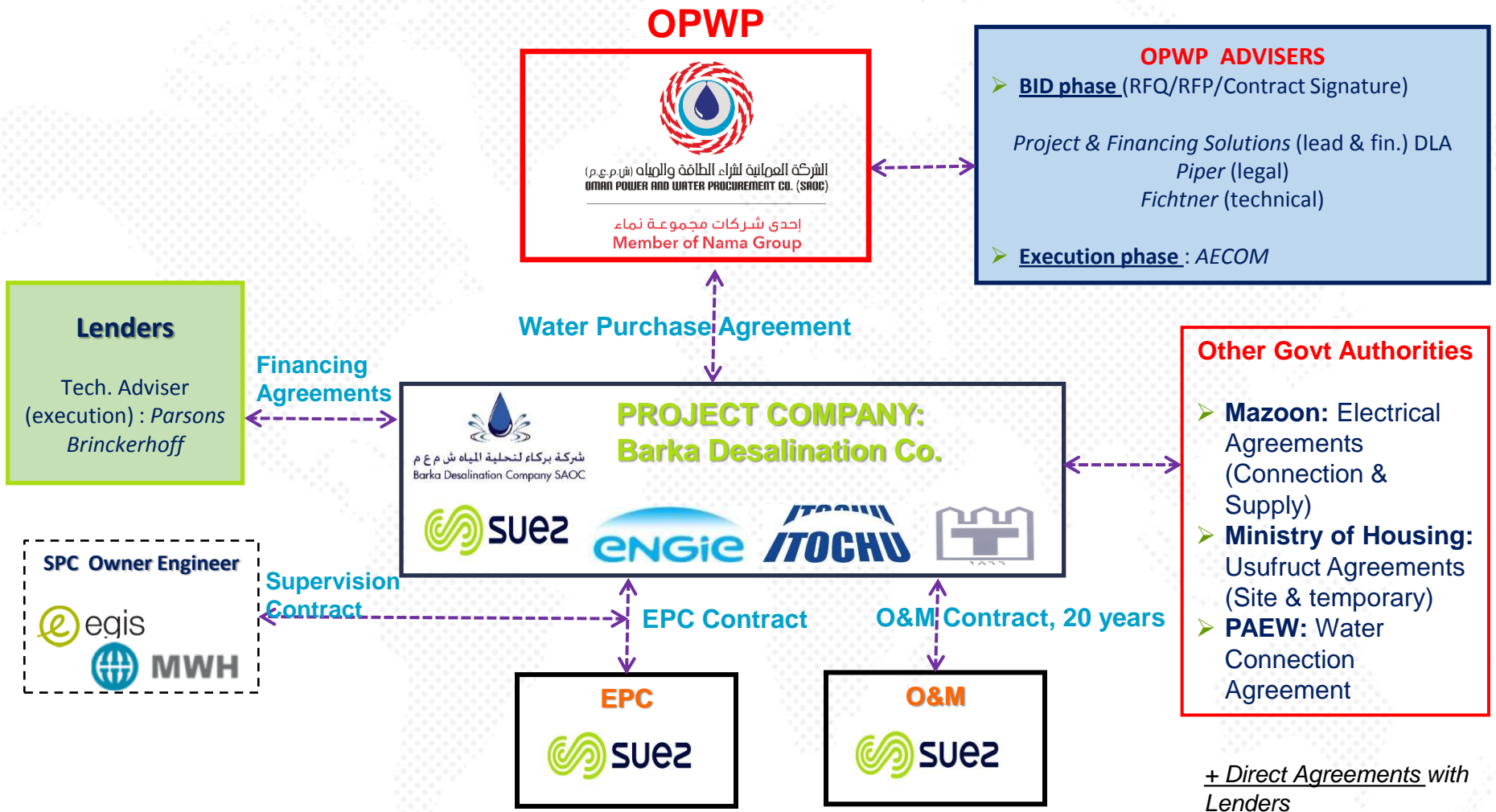
- **RFP:** Oman Power and Water Procurement Company SAOC (OPWP) issued RFP on 6 April 2015 for the Barka Independent Water Project (Barka IWP) on Built Own and Operate basis (20 years BOO)
- **Scope:** Development, Financing, Design, Procurement, Construction, Testing, & Commissioning, Ownership, Operation and Maintenance
- **Capacity & Technology:** 281,000 m³/d, Seawater Desalination Reverse Osmosis (SWRO)
- **Construction Period:** 27 months [January 2016 – March 2018]



BARKA IWP: Overall Project Timeline



BARKA IWP: Contractual Framework



- **Selection of experienced Advisers:**
 - addressing all the PPP matters: legal, financial and technical
 - throughout the procurement process: RFQ / RFP / Bids evaluation and negotiation, execution

- **A PPP designed for being:**
 - bankable with a non-recourse funding
 - deliverable (technical, duration of construction, authorizations/permitting)

- **Tendering features:**
 - Realistic (...but challenging) durations for the process: RFQ, RFP, Contract Signature period
 - Clear definition of the awarding criteria and formulas

- **Selection of robust and experienced Bidders:**
 - PPP Developers at RFQ Stage
 - EPC Contractor at RFP stage

- **Project-finance**
 - Lenders' commitment letters to be presented at bid submission

LEGAL

- Off-taker obligation & sovereign guarantee
- PPP Agreements to be part of the RFP bundle
- Change in law provision
- International Arbitration
- Relief for Force Majeure
- Rights of termination
- Possibility to terminate for Client default
- Termination payment and indemnification



FINANCING

- Take-or-pay principle
- Availability of the Site at Contract Signature
- Risk allocations clearly defined
- Provision for granting Permits and Authorizations
- No currency risk
- Start of the Construction at Financial Close
- O&M adjustment price with indexation mechanism
- O&M duration : 20 – 30 years

