

Evaluer les partenariats public-privé

Evaluating public-private partnerships

Session 2 : L'impact des PPP sur la qualité des bâtiments et des services

Session 2: The impact of PPP on the quality of buildings and services



PPP

Tim Drewitt AA Dip RIBA
Architect in private practice
Past Vice President of the
Royal Institute of British Architects
and Honorary Librarian of the
British Architectural Library



Topics of Discussion

- What is design?
- Is good design important?
- How is the quality of design evaluated? CABE + CDA
- Does design impinge on profits?
- Risk and value
- The political and social face of PPP and PFI



Other parameters that affect design

- We don't know how much should be spent on buildings.
- Value for money becomes value for budget.
- Inability to look to the long term collective interest.
- Modern contracting. Companies incentivise managers to save money however they can.
- Architects have ceded control to people who don't give a damn.

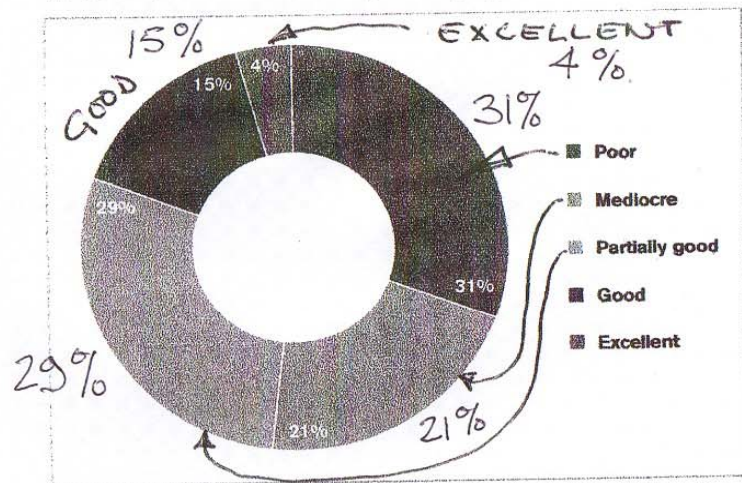


More parameters that affect design

- PPP's lack of cultural dimension makes it axiomatic that it cannot deliver a quality heritage.
- Marco Goldschmied Past President of the RIBA
- PFI/PPP Trophy Hunters architects dropped after bid is won.
- The can versus the beans.
- Architects **WILL BE BLAMED**
- Les architectes seront cupable

CABE design review schools

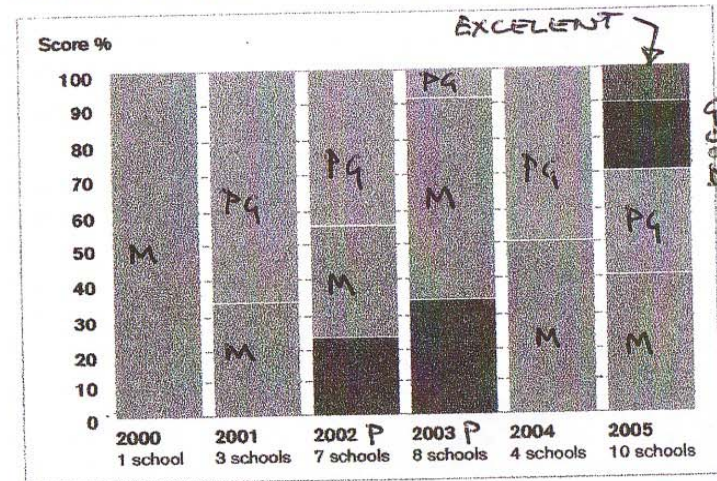
Breakdown of schools by quality
% of all schools visited by category



- Poor (0% < Functionality, build quality and impact < 30%)
- Mediocre (30% < Functionality, build quality and impact < 50%)
- Partially good (50% < Functionality, build quality and impact < 70%)

How good are PFI schools?

% of PFI schools in each quality category by year



- Good (70% < Functionality, build quality and impact < 80%)
- Excellent (80% < Functionality, build quality and impact < 100%)



The Risk Game

- The pathological aversion to risk.
- Les risques transférés sont
- De conception et construction
- De maintenance et d'exploitation
- Risques liés aux évolutions technologiques.
- Financiers et fiscaux
- Risques liés a la valeur résiduelle du bâtiment.



RISK PROTECTION

- Les contrats léonins
- Les entreprises sont bardées de service juridiques qui savent libeller les contrats avec arguties et clauses léonines. Les maitres d'ouvrage souvent n'ont pas cette capacité.



Value - economic

- Government can borrow for less
- Cost of bidding
- Circle of interest - selling on
- Increased cost to cover risk
- Restriction to large firms
- Economic evaluation cannot be carried out because
- Cabe: “We did not gather information on the cost of the schools: accurate breakdowns of figures are not available for PFI schools as this is **COMMERCIALLY SENSITIVE INFORMATION**”

Why do we do it ?

- **Work flow**

A project being bid now will be in construction in 2004 through to handover in 2006

- **Income stream from an Equity position**

Typically, Costain will take up to 50% of the Shareholder's equity in the SPV with a targeted IRR of c.14%

- **Higher than normal Profit for construction**



The Build Team

- **Soft FM**

Working with the right FM provider to reflect the proportion of site wide services required for the project

- **Hard FM**

Working with the right maintenance provider to understand and price the life cycle issues

- **Design Consultants**

Contributing to the lowest costs while bidding with rewards for winning. Typically, a 30% - 50% discount up to pre-financial close will be rewarded with success

Design Management

- **Map the Process**
- **Appoint the right consultants**
- **Provide Leadership**
- **Establish quick, effective decision making**
- **Establish what best value means**
- **Avoid unproductive cycles of design - cost - re-design - re-cost**

The Risks

- **Those who reduce our risk**

**The strength in depth of the supply chain is critical.
In particular for the M&E installation**

- **Those who share our risk**

**Spreading the risk to our major sub-contractors
with back to back agreements**

- **Those who increase our risk**

Architects are the biggest risk to the Constructor !

~~se pratiquer à travers l'Europe~~. En France, la pratique des PPP par le biais des concessions existe depuis longtemps pour certaines infrastructures comme les autoroutes ou ouvrages d'art par exemple. La loi N°2002-1094 du 29 août 2002 et la l'ordonnance N°2003-850 du 4 septembre 2003 formalisent la pratique des PPP pour les établissements relevant de la justice, de la police et de la gendarmerie ainsi que les établissements relevant du système de santé, des services sociaux ou médico sociaux soumis à autorisation. L'article 6 de la loi du 2 juillet 2003 dispose : « (...) Le gouvernement est autorisé à prendre par ordonnance les dispositions nécessaires pour modifier la loi N°85-704 du 12 juillet 1985 relative à la maîtrise d'ouvrage publique et ses rapports avec la maîtrise d'œuvre privée et créer de nouvelles formes de contrats conclus par des personnes publiques ou des personnes privées chargées d'une mission de service public pour la conception, la réalisation et la transformation, l'exploitation et le financement d'équipements publics, ou la gestion et le financement de services, ou une combinaison de ces différentes missions. Elles prévoient les conditions d'accès d'un accès équitable des architectes, des concepteurs, des petites et moyennes entreprises et artisans aux contrats de PPP.



My concerns

- Why is it that the richest countries in the world cannot afford to build their public buildings.
- Why does the state - us - not want to run its public services.
- Who is behind the privatisation of our public services and why.
- PFI and PPP have become so distorted as to become the means to a new and inescapable form of corporate control.



Questions

- Companies sell people what they want.
- NO! They sell what they want to people.
- The primary duty of a Company - by law - is to its shareholders.
- The primary duty of Government is to the people.
- Should the State off-load its duties?



Questions

- Les Compagnies vendent-elles au public ce que le public veut?
- NO! Ils vendent ce qu'ils ont envie de lui vendre.
- La priorité d'une compagnie - selon la loi - est de plaire aux actionnaires.
- La priorité du Gouvernement est son devoir vis-à-vis des citoyens.
- Le Gouvernement peut-il se débarrasser de ses devoirs?

THE DIRECTORS

DREDGE & RIGG



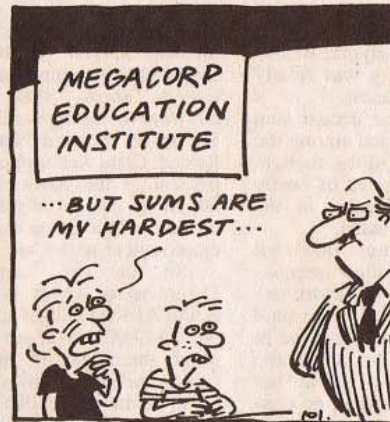
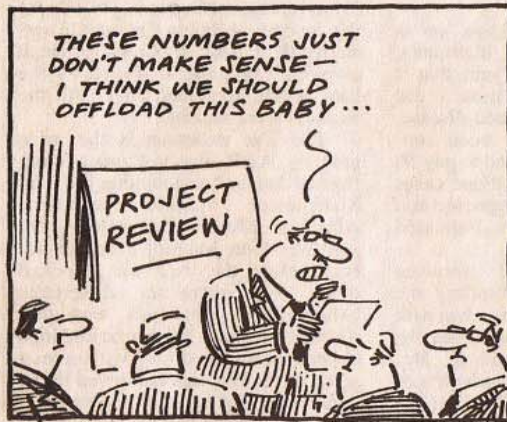
THE DIRECTORS

DREDGE & RIGG



THE DIRECTORS

DREDGE/RIGG



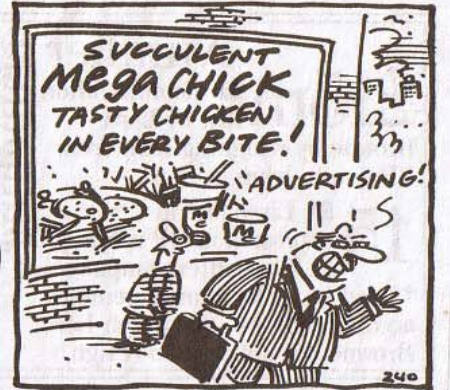
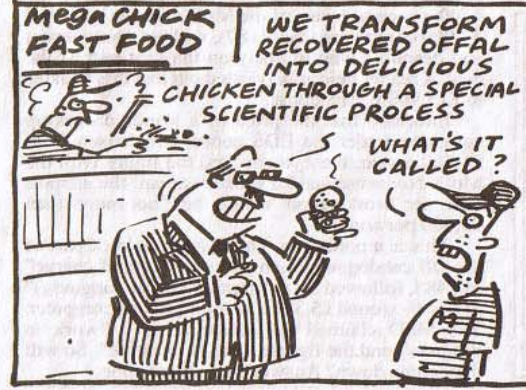
THE DIRECTORS

DREDGE & RIGG



THE DIRECTORS

DREDGE & RIGG



THE DIRECTORS

DREDGE & RIGG

