

Industry Day

PPP D35

Prague, Ministry of Transport
13 June 2024



Ministerstvo dopravy

Agenda

- Welcome
- Team Introduction - PA
- Team Introduction - Advisors
- PPP Pipeline in Transport Infrastructure
- Introduction of D35 PPP project
- Q&A Session

Introduction

- Industry Day is recorded (Public Procurement Act)
- Time for feedback after Industry Day
- This Industry Day and all positions expresses the view of contracting authority as of today and is not a final position of the contracting authority.

Public Authorities



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Public Authorities



Martin Kupka
Minister of Transport



Radek Mátl
Road and Motorway
Directorate of the Czech
Republic



Zbyněk Hořelica
State Fund for Transport
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Advisory Team



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Petr Makásek

Technical Expert – Tunnels

Mott MacDonald



MOTT
MACDONALD



SIEBERTTALAŠ

PPP Pipeline in Transport Infrastructure



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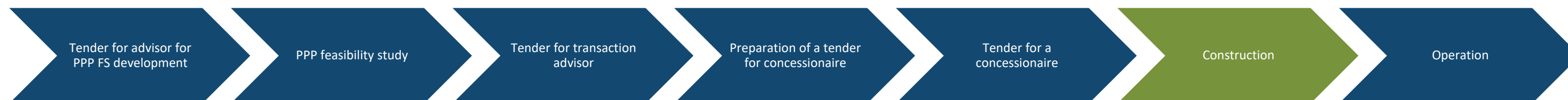


Contracting Authority's Key Objectives and Drivers for PPP Implementation

- **Speed up the construction** of key highway and railway network with limited public sources
- Project implementation in the planned (and **shortest possible**) **time horizon**
- Foster **value engineering and innovative approaches** in design, construction, maintenance and operation of the highway
- Procurement approach to ensure **economical and efficient operation and maintenance of the two tunnels**
- **Hand back** of the Project road **at a predefined standard and quality** at the end of the PPP project period
- **Optimum allocation** and management of risks, while achieving **off-balance sheet** treatment of the Project in the national accounts as per ESA 2010

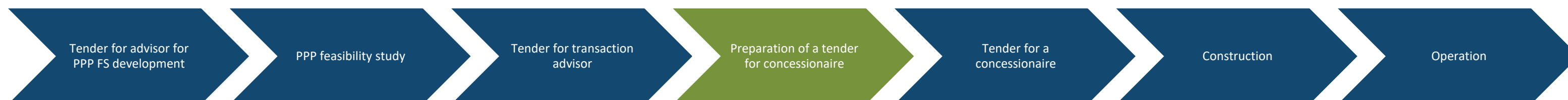
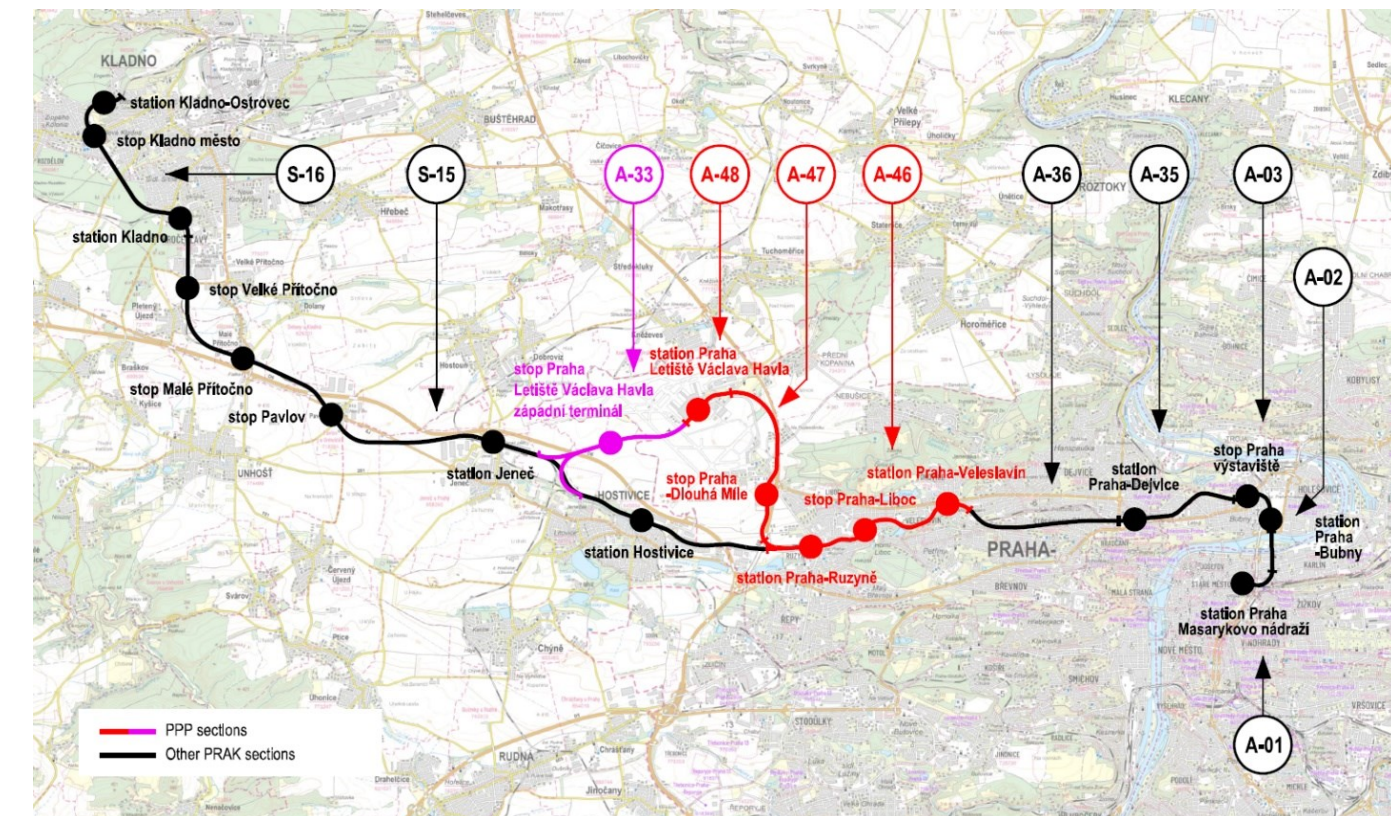
D4 Highway

- Skalka (Příbram) – Nová Hospoda (Písek)
- 28Y, DBFOM, 47,1km:
 - 31,9km Greenfield sections
 - 15,2km Brownfield sections,
- CAPEX about EUR 480m
- Yearly AvP in the 1st year of operation (2025) EUR 52m
- CC 5.2.2021, FC 29.4.2021
- Concessionaire: DIVia D4 s.r.o. (Vinci, Meridiam)
- Completion of the construction: 12/2024



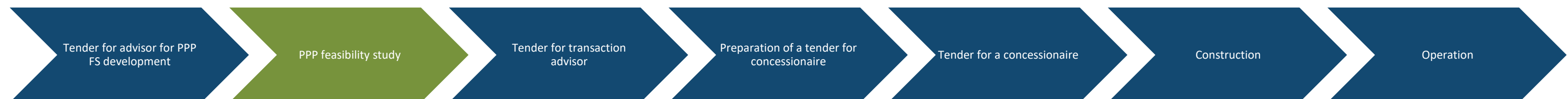
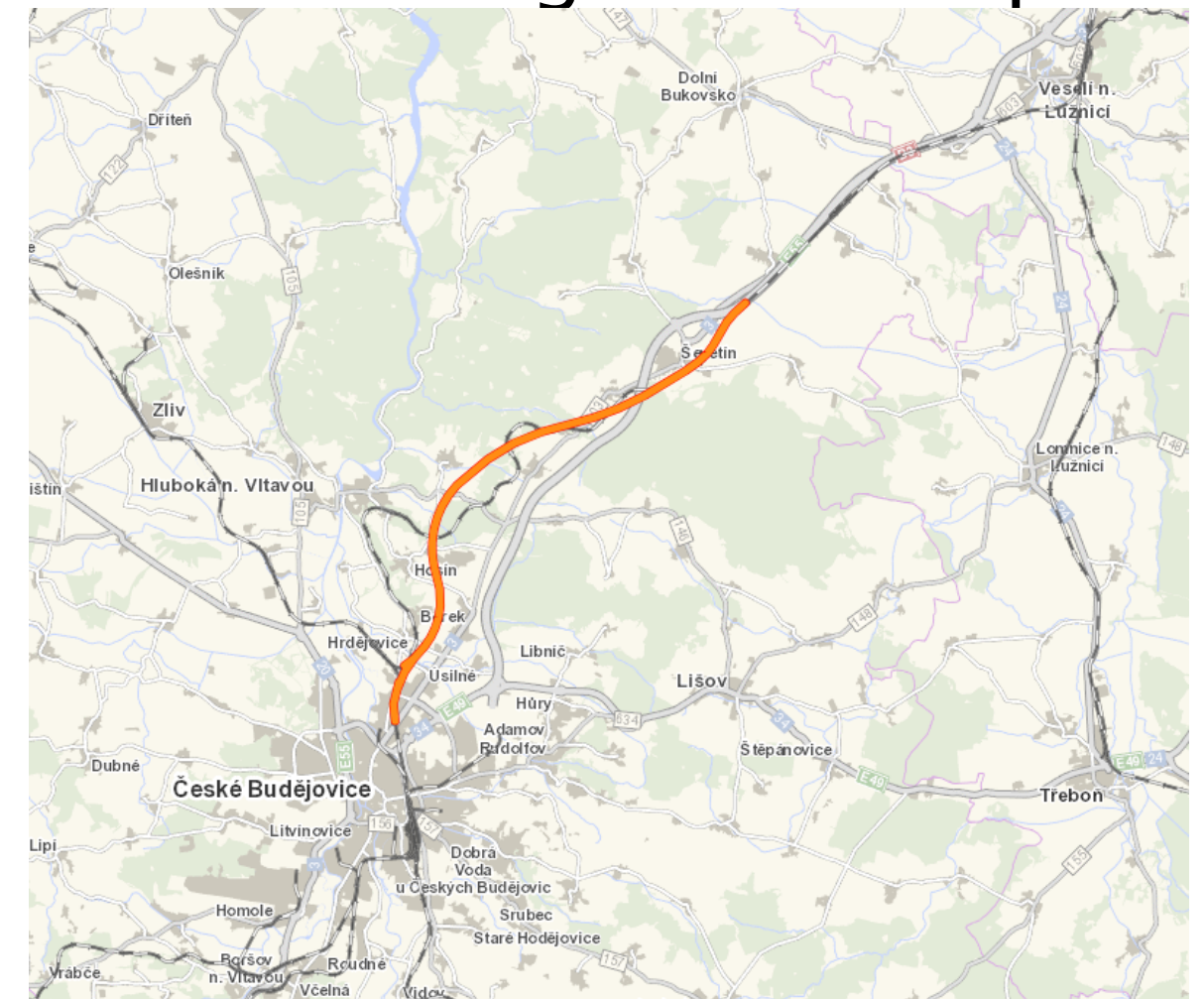
Prague – Airport Railway Connection

- **Prague Veleslavín – Vaclav Havel Airport**
- Vaclav Havel Airport – Hostivice Jeneček („Rounding“, A-33)
- CAPEX: app. EUR 1bn
- Cooperation with EBRD
- Industry day: September 2024
- Expected tender launch (qualification): Q4/2024
- Expected start of construction: Q2/2027



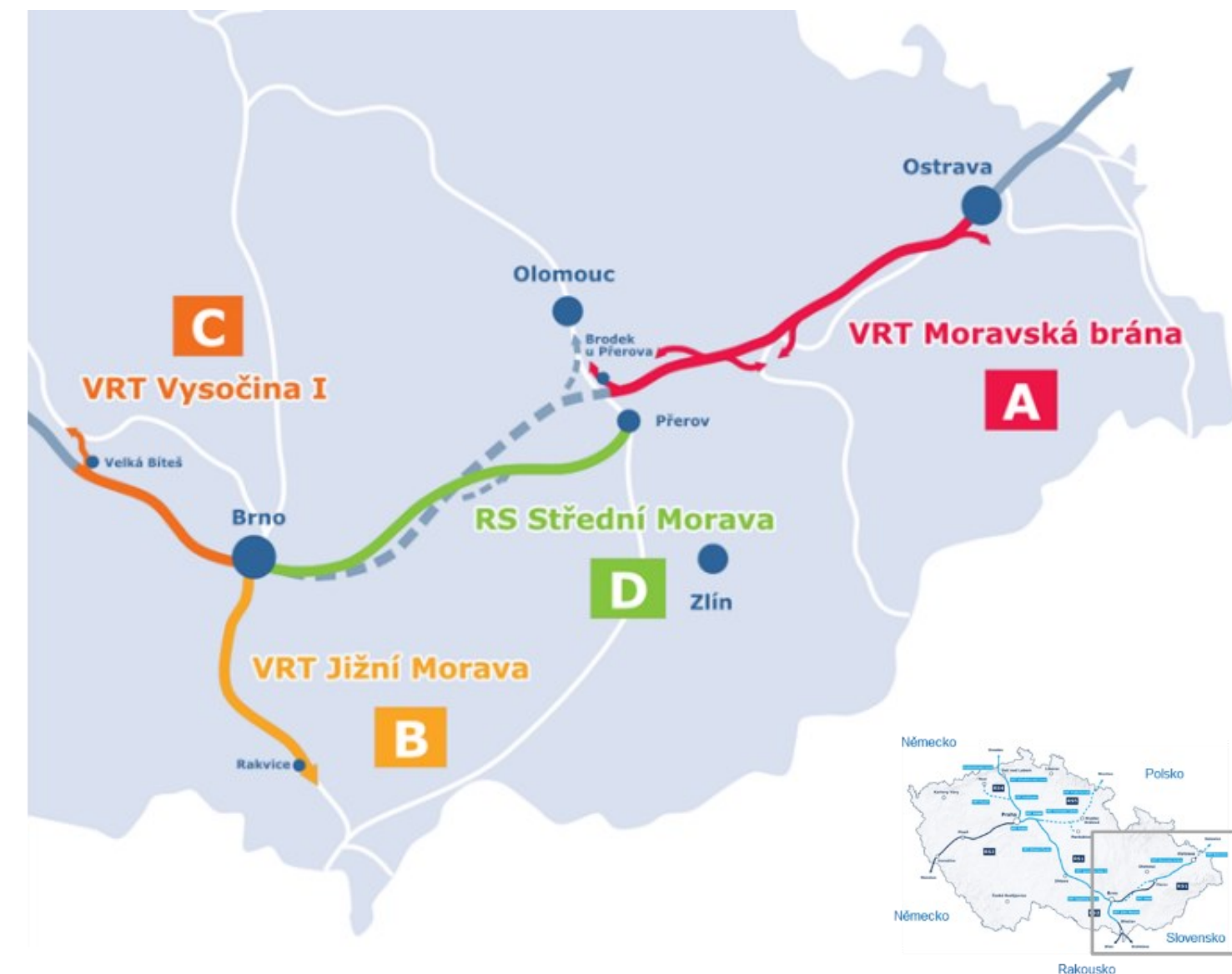
Nemanice – Ševětín Railway Connection

- Double-tracking of the entire 17.7 km long section and increasing the line speed to 160 km/h (or up to 200 km/h).
- 2 tunnels:
 - Hosínský tunnel (length of 3120 m)
 - Chotýčanský tunnel (length of 4806 m)
- Total CAPEX app. EUR 750m
- PPP feasibility study completed and approved
- Revision of technical solution, revision of VfM



Rapid Connection Moravia (HSR)

Section	Usage / speed	Length incl. exits	CAPEX
A	OD / 320	91km DBFM	app. EUR 3,8bn
B	OD / 320	39km DBFM	app. EUR 0,9bn
D	SD / 200	50km DBFM + 25km O&M	app. EUR 2,4bn
Total		180km DBFM + 25km O&M	app. EUR 7,1bn

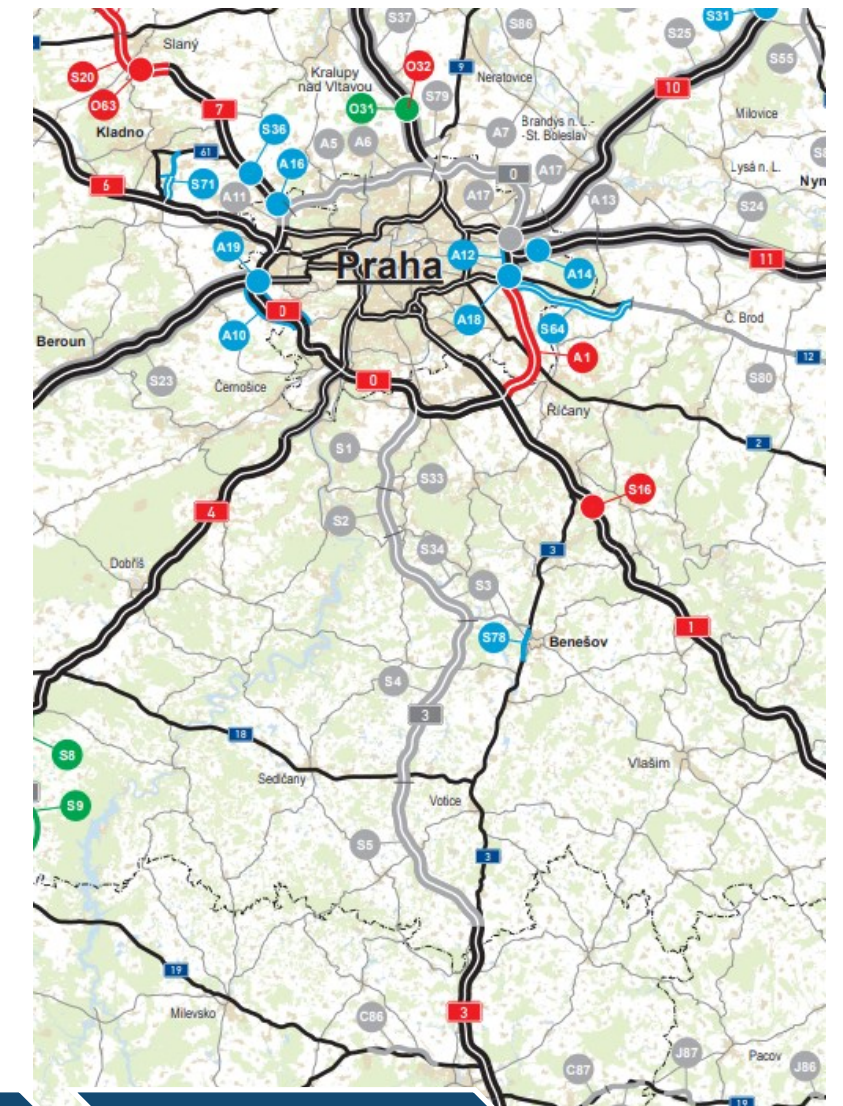
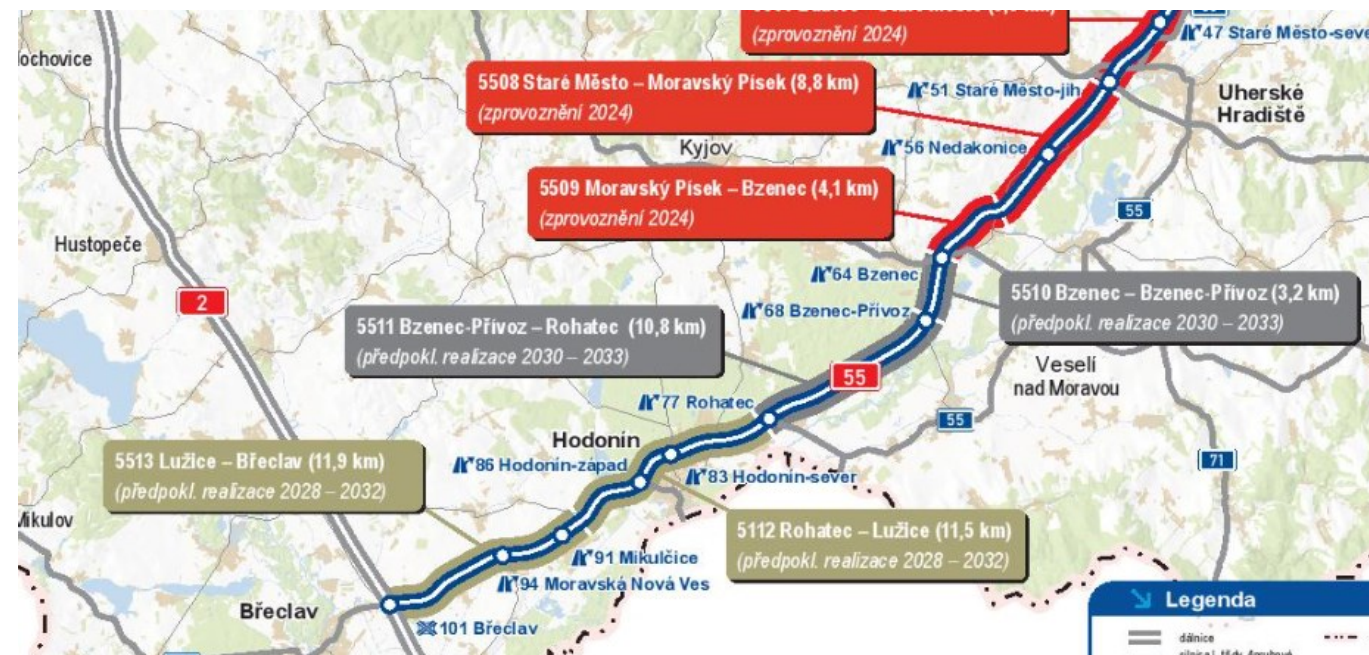


- PPP feasibility study substantially completed



D0, D3, D55 Highway

- PPP FS will assess the suitability of PPP for the following highway sections:
 - D0 highway – sections 518, 519, 520 (28,8km)
 - D3 highway – sections Praha – Nová Hospoda (63,7km)
 - D55 highway – sections Bzenec - Břeclav (37,4km)
- Completion of the PPP FS by the end of 2024



Technical Aspects



Sections

DBFOM

Opatovec – Staré Město
Staré Město – Mohelnice

R&M

Litomyšl – Janov
Janov – Opatovec



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Highway D35 Sections

DBFOM

design, build, finance, operation
and maintenance

34.8 km 2 + 2 line highway

Opatovec – Staré Město

Staré Město – Mohelnice

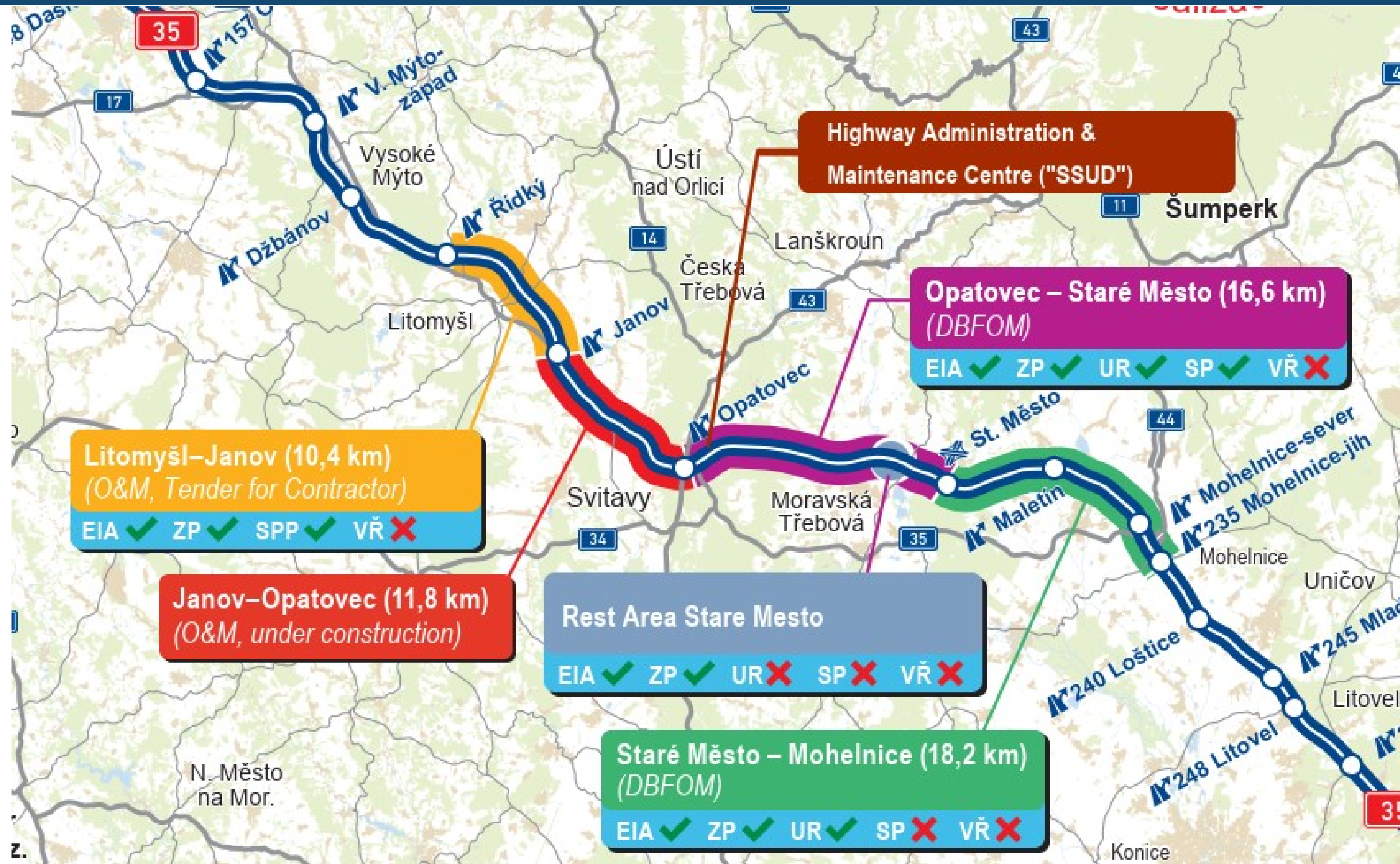
R&M

repair and maintenance
(excl. heavy maintenance)

22.2 km 2 + 2 line highway

Litomyšl – Janov

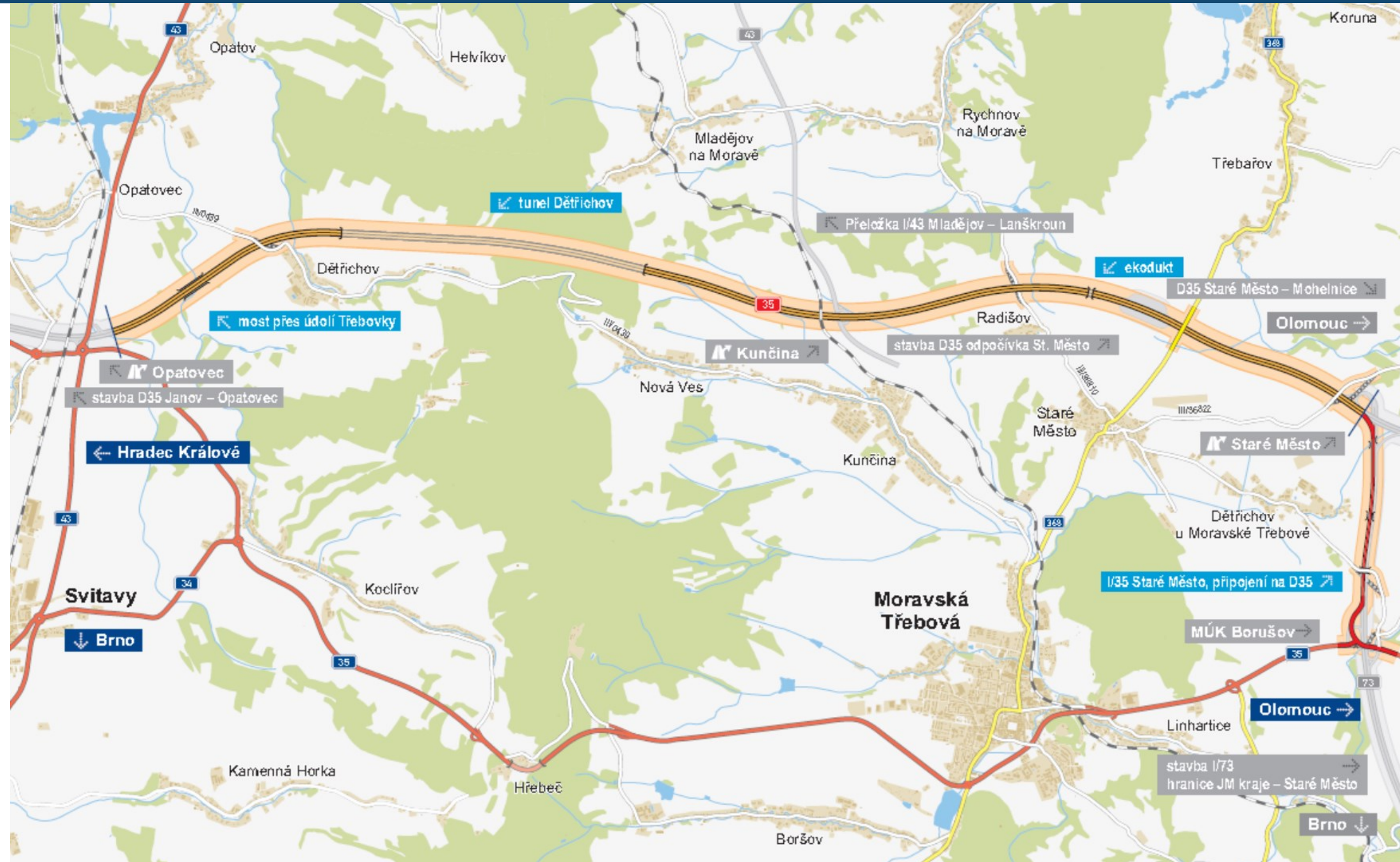
Janov – Opatovec



Section Opatovec – Staré Město

DBFOM

Length:	16,6 km
Category:	D 26,0 - 130 kmph
Junctions:	1
Tunnels:	Dětrichov 3.983 m
Bridges:	13
Overbridges:	3
Enviro ducts:	1
Rail bridges:	1
Overall length:	700 m
Noise barriers:	4 (2.150 m)
Access road:	I/35 (2.350 m) S 11,5 – 90 km/h 6 bridges 2 noise barriers
Other roads:	I st class 1 road III rd class 4 roads
Rest area:	Staré Město



Section Staré Město - Mohelnice

DBFOM

Length:	18,23 km
Category:	D 26,0 - 130 kmph
Junctions:	4
Tunnels:	Maletín 1.313 m
Bridges:	21
Overbridges:	7
Enviro ducts:	1
Rail bridges:	none
Overall length:	3.542 m
Noise barriers:	21 (7.612 m)
Other roads:	
Rest area:	none



Section Litomyšl - Janov

R&M

Length:	10,44 km
Category:	D 26,0 - 130 kmph
Junctions:	1
Tunnels:	none
Bridges:	7
Overbridges:	7 (excluded from R&M)
Enviro ducts:	1
Rail bridges:	none
Noise barriers:	13 (5.796 m)
Other roads:	none
Rest area:	none
Status:	Contractor's Bids submitted on June 11, 2024



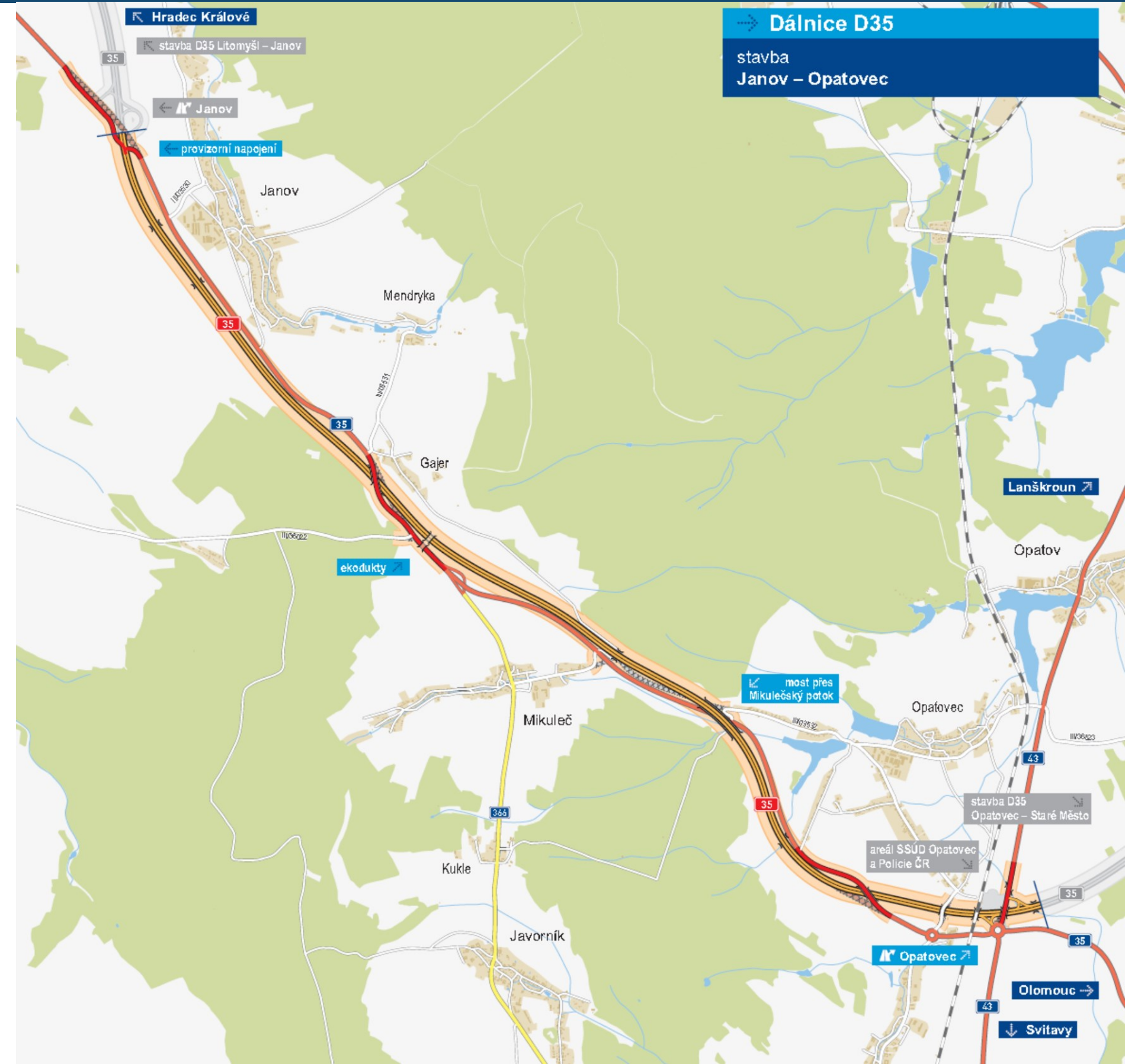
Section Janov - Opatovec

R&M

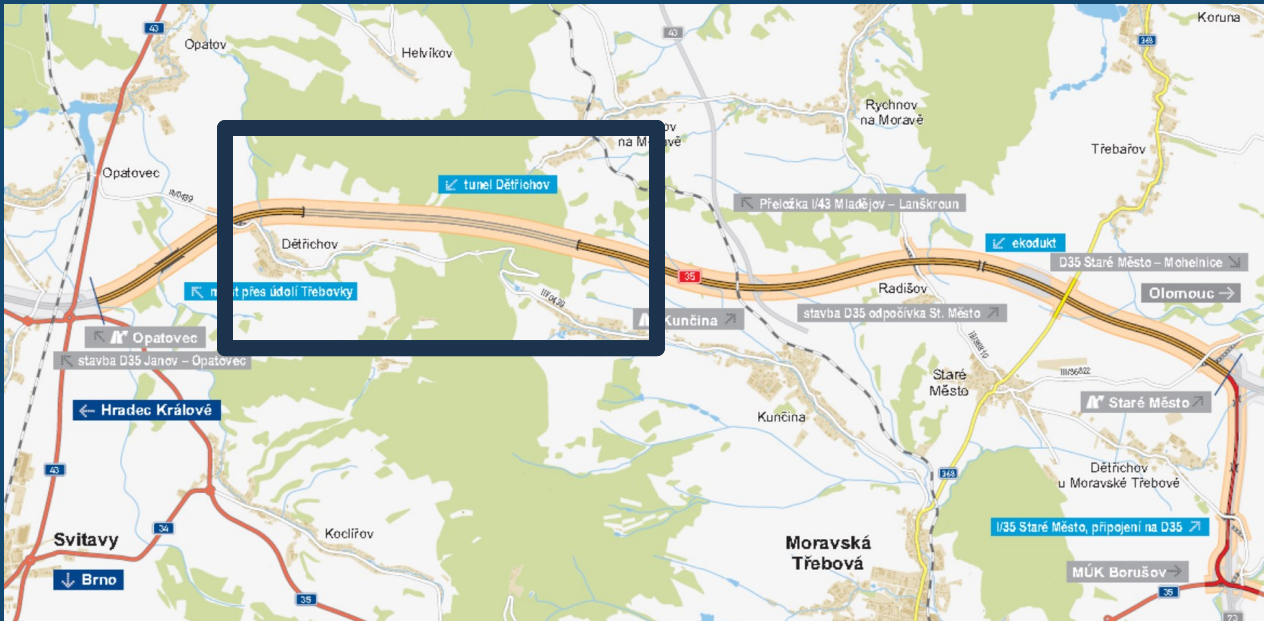
Length: 11,75 km
Category: D 26,0 - 130 kmph
Junctions: 1
Tunnels: none
Bridges: 6
Overbridges: 4 (excluded from R&M)
Enviro ducts: 2
Rail bridges: 1
Noise barriers: 6 (4.444 m)

Other roads: none
Rest area: none

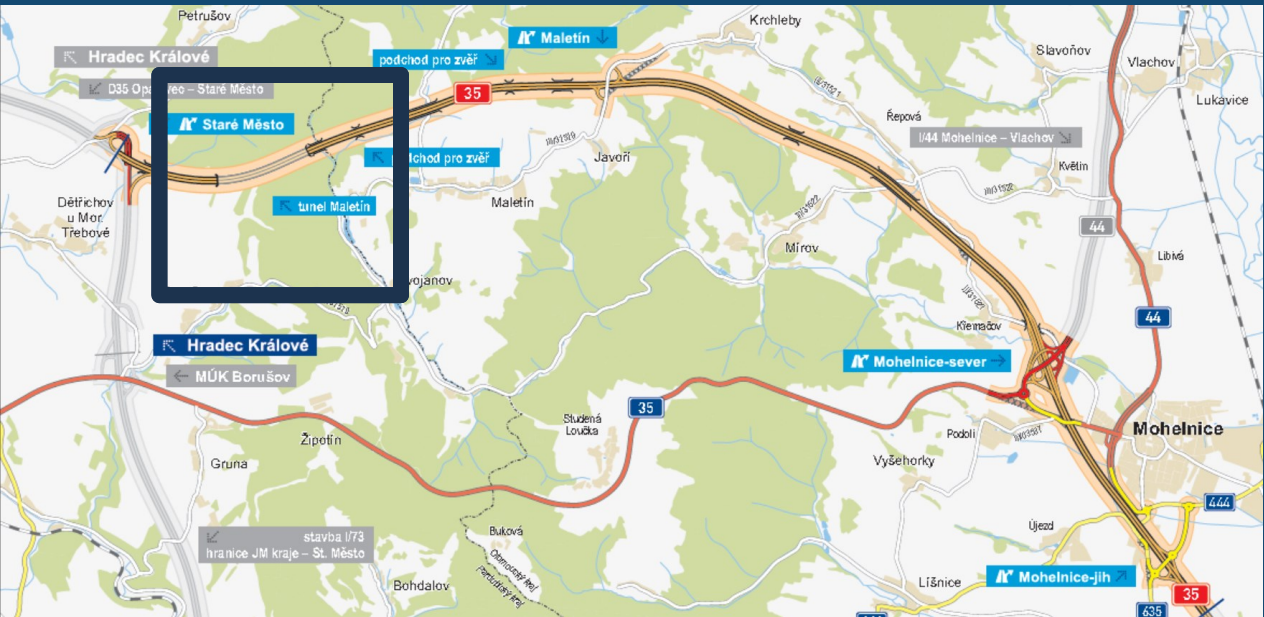
Status:
Construction started May 5, 2023
(MI Roads a. s./DOPRASTAV a. s.)
Estimated operation date 12 / 2025



Tunnels



Dětřichov



Maletín

Dětřichov Section Opatovec – Staré Město	Maletín Section Staré Město - Mohelnice
Tunnel in length of 3.984 m two tunnel 2 lane tubes speed limit 100 kmph	Tunnel in length of 1.313 m two tunnel 2 lane tubes speed limit 100 kmph
Adjected area for fire brigade units within east portal of tunnel	Adjected area for fire brigade units within west portal of tunnel
Full set of geological investigation (GI) finished on the level of tender documentation stage (PDPS)	Survey for building permit finished, detailed survey and monitoring to provide full detailed survey will be performed in 2024
Additional detailed GI based on report recommendations in progress	Additional GI survey to confirm expected discontinuities scheduled for additional investigation to be performed later (Q3/Q4 2024)

Technical Aspects – BIM

Requirements on:

- Digital publicity and monitoring
- CDE, CAFM
- DIMS
- **Greenfield sections:** Requirements on Detailed BIM model and As-build BIM model
- **Brownfield sections:** Concessionaire will receive As-build BIM model

Permitting & Land Acquisitions



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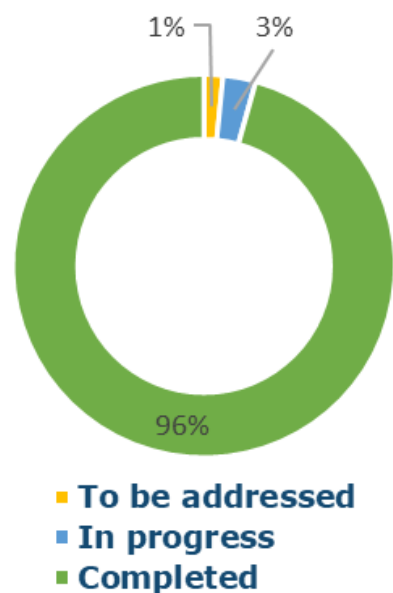


Permitting Status

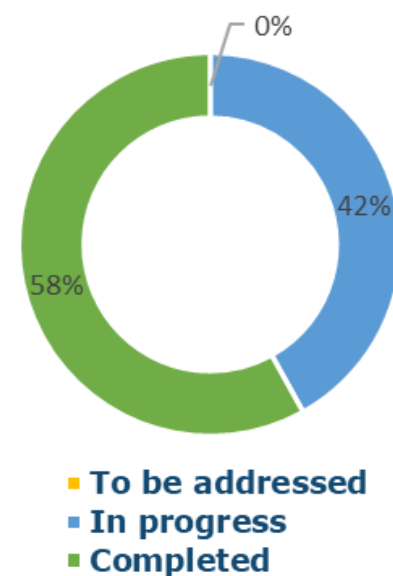
Sections	EIA	Zoning permit	Docs for building permit	Building permit
Litomyšl – Janov (SO 07)	Obtained (valid until 12/2024)	Joint zoning and building permit obtained and in force	Completed	Joint zoning and building permit obtained and in force
Janov – Opatovec (SO 08)	Obtained (valid until 12/2024)	Obtained and in force (11/2018)	Completed	Completed (03/2022)
Opatovec – Staré Město (SO 09)	Obtained (valid until 12/2024)	Obtained and in force (03/2019)	Completed	Completed (07/2023)
Staré Město – Mohelnice (SO 10 + SO 11)	Obtained (valid until 12/2024)	Obtained and in force (12/2022)	Completed	Application submitted (3/2024) Proceeding commenced (4/2024)

Land Acquisitions: Opatovec – Staré Město

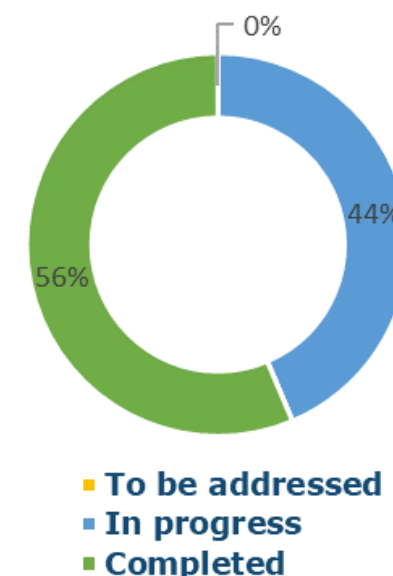
PERMANENT LAND ACQUISITION
252 cases (96% completed)



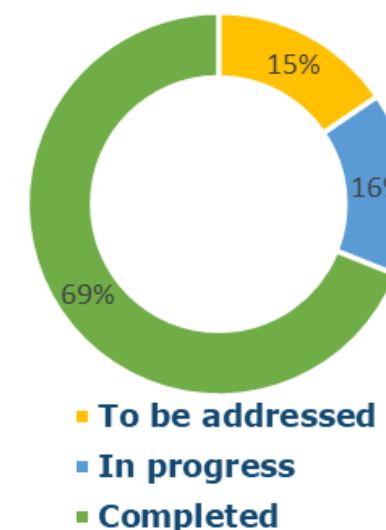
TEMPORARY LAND (1Y MAX)
31 cases (58% completed)



TEMPORARY LAND (1Y PLUS)
110 cases (56% completed)

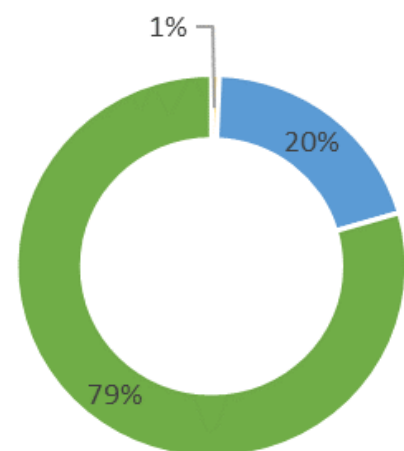


EASEMENT
116 cases (69% completed)



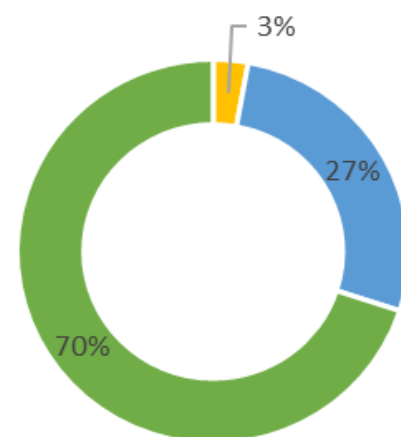
Land Acquisitions: Staré Město – Mohelnice

PERMANENT LAND ACQUISITION
317 cases (79% completed)



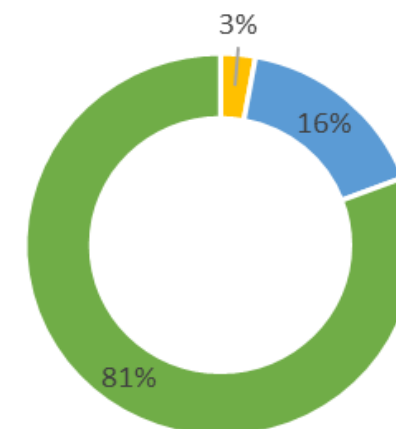
■ To be addressed
■ In progress
■ Completed

TEMPORARY LAND (1Y MAX)
70 cases (70% completed)



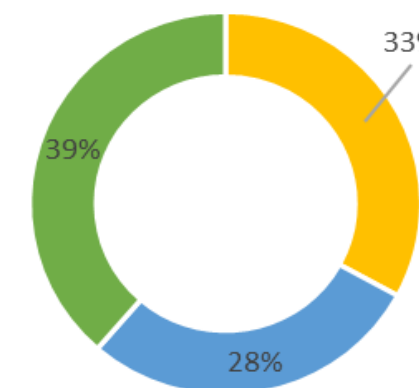
■ To be addressed
■ In progress
■ Completed

TEMPORARY LAND (1Y PLUS)
244 cases (81% completed)



■ To be addressed
■ In progress
■ Completed

EASEMENT
176 cases (39% completed)



■ To be addressed
■ In progress
■ Completed

Envisaged Risk Matrix



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Envisaged Risk Matrix

Risk category	Risk allocation		
	Private	Public	Shared
Land acquisition		X	
Building Permits		X	
Changes to Building Permits	X		
Design & Construction	X		
Geological / Geotechnical			X
Unforeseen findings (dangerous materials, utilities, archaeological)		X	
Demand		X	
Operation / Maintenance	X		
Asset condition at hand-back	X		
Insurance	X		
Financing	X		
Interest rates risk after financial close	X		
Inflation during construction			X
Inflation during operation (indexation of the availability payments)		X	
Forex (Availability payment related)		X	
Forex (capex related) after financial close	X		
Tax changes – general	X		
Tax changes – specific		X	
Compensation on early contract termination – SPV default	X		
Compensation on early contract termination – Contracting Authority default		X	
Compensation on early contract termination – Relief and Force Majeure reasons			X
Political changes		X	
Changes in legislation			X
Force majeure			X

Contractual Structure

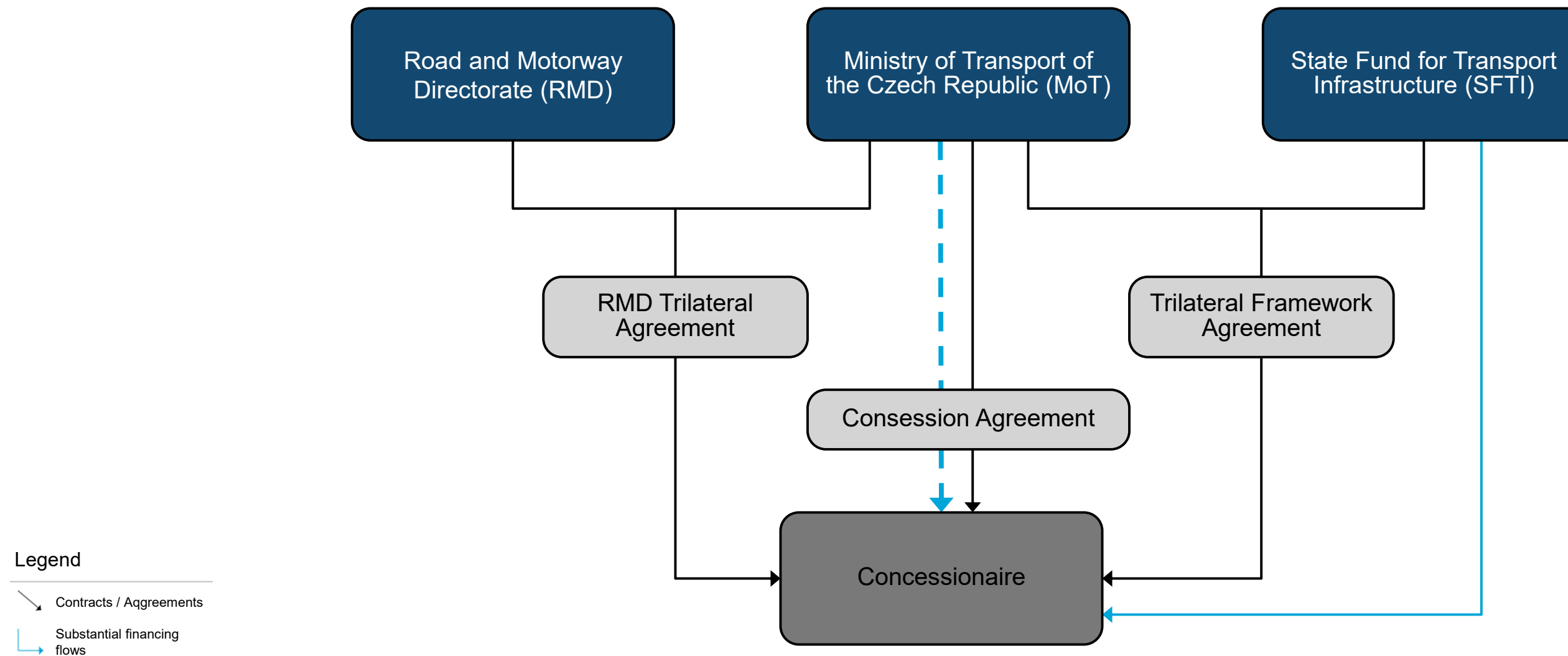


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Contractual Structure

Contracting Authority representatives to the Project ^[1]



^[1] Please note that the dotted line represents the MoT's ultimate responsibility for any payments which the SFTI would not be able to contribute.

Financial Aspects



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Financing Structure

Expected General Financing Structure	<p>Equity & debt financing sourced from both local and international commercial banks and institutional investors</p> <p>It is anticipated that debt financing will be denominated in a combination of EUR and CZK subject to bidders' discretion</p>
Required level of committed financing at bid submission	<p>Equity: 100%</p> <p>Debt: ambition is to maximise the % level of commitments delivered</p> <p>All material lenders' and investors' due diligence completed by BAFO</p>
Changes of derivatives pricing between BAFO and FC	<p>Market base rates (IRS, FX derivative) – Public Authority</p> <p>Margins – Concessionaire</p>
Impact on Government deficit & debt (ESA 2010)	Requirement for off-balance sheet treatment (ESA 2010)
Capital Expenditure	Approx. EUR 1.4bn (approx. CZK 35bn)

Payment Mechanism

General Principles	Availability payments from the public sector to the concessionaire during the operational period.
Milestone Payment	Should it become apparent due to project financing needs and/or market situation that PA's participation in initial CAPEX financing would be required, the contracting authority would consider it to the extent strictly necessary and in compliance with the ESA 2010 rules.
Currency	Contracting Authority would enable the availability payments to be made in both currencies (CZK and/or EUR) Availability payments in EUR cannot exceed the Concessionaire's outflows (during operating phase including servicing its financing) contracted in EUR.
Deductions	Deductions for unavailability and deductions for failing to maintain performance standards (penalty points). No cap (i.e. they can reach up to the level of availability payments)
Indexation	Part of the availability payment will be indexed in line with inflation. Indexation will apply to the part of the availability payment that goes to meet the concessionaire's underlying operating costs. Contracting Authority will share the risk of movements in construction prices but not for other construction risks such as delay, choice of material, quantity of materials, construction defects, etc. during the construction phase

Tender Procedure



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Tender Procedure

- Tender procedure with **competitive dialogue** in accordance with:
 - Section 60 et seq. of Czech Act No. 134/2016 Coll., Public Procurement Act, and
 - Section 18a et seq. of Czech Act No. 13/1997 Coll., Roads Act
- **Qualification** criteria based on relevant experience of the bidders
- **Shortlisting** of **4** bidders based on relevant transport PPP experience
- **FSR Compliance** to be evidenced by the bidders
- **Evaluation criteria** - Most Economically Advantageous Tender (**MEAT**):
 - Net present value of availability payments will be the key evaluation criterion
 - Non-financial (qualitative) evaluation criteria will be defined in the tender documentation

Indicative Timeline

Industry Day	13 June 2024
Feedback on Industry Day	30 June 2024
Commencement of Tender (Prequalification)	Mid summer
Deadline for Submission of Request to Participate (Prequalification)	September 2024
Shortlisting and Assessment of Prequalification	October 2024
Competitive Dialogue (Shortlisted bidders only)	January 2025
Request for Bid Submission	June 2025
Deadline for Bid Submission	September 2025
Evaluation of Bids	October 2025
Commercial Close	November 2025
Financial Close	January – April 2026

Q&A Session

Thank you



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