

PPP

for the Public Building Construction Sector in Germany

Brief executive summary
of key results

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Public Private Partnership for the Public Building Construction Sector – “A partnership to improve jointly”

Public Private Partnership (PPP) has internationally become a common way of procurement for the public building sector. PPP facilitates the implementation of urgently needed projects and provides for a sustainable offer of public services and social security by integrating the private sector while enabling the public sector to concentrate on other key challenges of public duties.

PPP amplifies the possibilities for alternative ways of public procurement. It contributes to a higher level of cost transparency and to a better understanding of the economic context of capital costs, financing costs and maintenance costs (lifecycle approach). PPP projects favour a transfer of know-how from the private sector into the public sector and bring about an optimisation of familiar practices in the administrative bodies (“modernisation of public administration”).

A Guideline as a practical manual for the public and private sector to implement PPP projects

The Guideline aims at promoting the acceptance and understanding of PPP. It describes the PPP procurement process covering the whole lifecycle from identifying the need to the utilisation of assets. Therefore, it provides practical support for all phases of the PPP project implementation.

The Guideline is addressed to the decision makers in politics and public administration as well as all other persons in the public sector on federal, county (“Länder”) and municipality level dealing with the implementation of projects in the public building sector. At the same time it is useful for all private sector companies interested in PPP.

The “Efficiency Comparison” as a tool for preparing and implementing PPP projects

The development of a German approach for an Efficiency Comparison is to provide an objective and transparent process for the identification of the most beneficial and most economical procurement concept. The Efficiency Comparison is not just understood as a tool for comparison but even more constitutes a project development process. Therefore, the Efficiency Comparison is not a “one-time calculation” but a continuous realisa-

tion and decision process accompanying the whole project lifecycle. The German approach is in line with internationally accepted standards for Efficiency Comparisons.

Impact of the legal framework – options and recommendations

PPP projects can even today be implemented under current legal regulations in Germany. However, in realising PPP projects some legal restrictions regarding budget law, tendering law, grants/subsidies and tax law are still existing. An elimination of these restrictions could stimulate the use of PPP as an alternative procurement route.

Supporting the development and implementation of PPP projects – the Federal Competence Centre for PPP

The Federal Competence Centre (“FCC”) will be the federal organisational unit in Germany for supporting the respective departments on federal, county (“Länder”) and municipality level dealing with the preparation and implementation of PPP in the public building construction sector. The FCC on the one hand is to formulate recommendations for structuring the framework of PPP in Germany (“policy arm”) and on the other hand recommendations for the tools and methods to be used in actual projects (“project arm”). The range of services to be provided by the FCC will result in interfaces with different levels: project level, service level and coordination level.