



**Affordable Housing**  
for Latvian specialists

# Investor day

**Public-Private Partnership Programme | Bundle 1**



Finanšu ministrija



Ekonomikas ministrija



Centrālā finanšu un  
līgumu aģentūra



European  
Investment Bank

09.06.2026



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# Legal Parameters

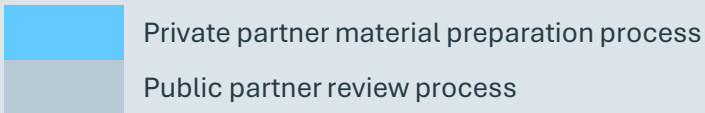
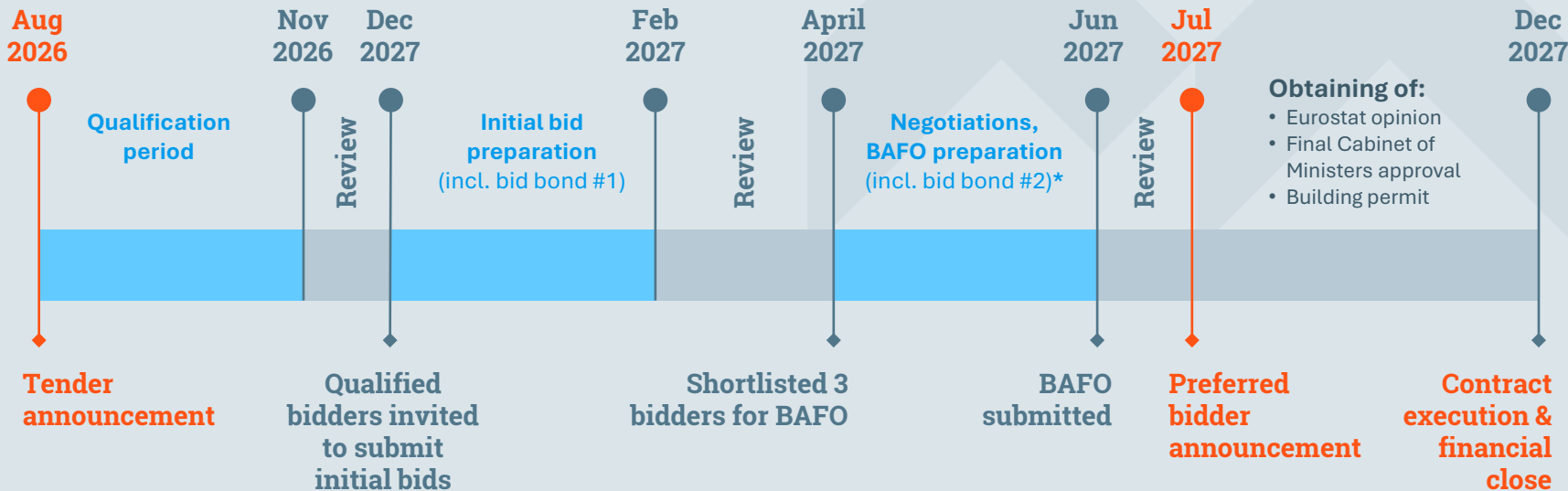
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# PROCUREMENT TIMELINE



\* Consultations with Building Boards on proposed designs available and consultations with Ministry of Economics on permitting process available

# INDICATIVE AVAILABILITY OF CPN INFORMATION

## ANNOUNCEMENT OF **QUALIFICATIONS** PHASE

Qualification regulations  
published (LAT, ENG)

Provisional information  
on technical specification,  
PPP Agreement, and Award regulations

Not yet attached:  
draft PPP Agreement, draft Direct  
Agreement and technical specification

## ANNOUNCEMENT OF **AWARD** PHASE

(Via invitations to prepare initial bids)

Award regulations attached (ENG, LAT),  
technical specification (only LAT)

Draft PPP Agreement, draft Direct  
Agreement and technical specification

Additional General and/or individual  
instructions may be issued

# QUALIFICATION PROCESS PART 1 OF 2

- Any interested supplier may **submit qualification documents**
- To get qualified, candidate shall **meet each of the minimum criteria**
- Up to 6 candidates who comply with qualification requirements, may be invited to prepare and **submit initial bids**
- Includes financial, PPP, construction, design and facilities management aspects

Criteria	Subject	Description
<b>PPP experience</b>	Private partner	1 DBFM / DBFMO PPP project with financial close no later than 10 years; EU, EEA, the UK, USA, Canada or Switzerland
<b>Proposed equity</b>	Private partner	13 M EUR
<b>Turnover, Assets under management</b>	Private partner	260 M EUR aggregated of no more than 3 companies, in each of the last 2 financial years

## QUALIFICATION PROCESS PART 2 OF 2

Criteria	Subject	Description
<b>Construction experience</b>	Construction contractor	Building construction (NACE 41.20) project/-s of <b>CapEx at least 45M EUR</b> , aggregated of no more than <b>3 projects</b> ; construction finished no later than 5 years and in EU, EEA
<b>Design capability</b>	Lead designer	<p>Different projects can qualify for each of the criteria, each of them no later than 5 years with in EU, EEA</p> <ul style="list-style-type: none"><li>▪ <b>design</b> of 2 new-construction accommodation type buildings of <math>\geq 50</math> units each with <math>\geq A</math> energy rating</li><li>▪ <b>author supervision</b> of 2 finished building construction project (NACE 41.20) of CapEx <math>\geq 4</math> M EUR</li><li>▪ 1 new building (NACE 41.20) design project designed with BIM</li></ul>

**A qualified construction manager and facility manager will be required at contract execution**

# SHORTLISTING PROCESS

## QUALIFICATION PHASE

### MINIMUM QUALIFICATION REQUIREMENTS



If more than 6  
bidders

### SCORING BASED ON PPP EXPERIENCE:

Maximum of 3 reference projects per bidder (excl. qualification project), financial close no later than 10 years, listed by importance

- accommodation type PPP / concession project
- availability based PPP project with availability period ongoing for five or more years to date
- PPP project with of CapEx more than 150 M EUR
- DBFM / DBFMO project

## EVALUATION PHASE (of initial proposal)

**Evaluation formula assessing** 1) total PPP contract value, 2) availability date 3) presumably other factors

Total scoring formula and weights to be announced at tender

# NEGOTIATIONS



Each bidder invited to prepare initial bid is expected to **submit initial technical bid and initial financial bid**. At the choice of each bidder, initial bid may be supplemented with a list of issues for limited negotiation of the PPP Agreement



**No more than 3 bidders** with the highest evaluation of the initial bid will be invited to **negotiations**



Negotiations primarily focus on the **initial technical bid** with a view to maintain its compliance with technical requirements while optimizing the initial financial bid. **Limited negotiation** of PPP Agreement



In parallel to the negotiations, at the choice of each bidder **consultations will be available** with the construction boards of all 6 municipalities



Following negotiations **additional general and/or individual instructions** may be issued to bidders to prepare their BAFO



The BAFO financial bid is to be **reduced**, comparing to the initial financial bid. It may only increase if any additional item or work is requested during negotiations

# MAIN PPP CONTRACT PRINCIPLES

1

## Accounting & Risk Allocation

- Off-balance sheet treatment across full PPP contract term

2

## Performance & Security Mechanisms

- Performance bond
- Planned Availability Date (fixed & enforced)
- Handback bond
- Post-availability warranty period

3

## Operations & Payment Mechanism

- Full asset management by private partner
- Paid via availability Payment (with deductions)
- No management fee charged from tenants

4

## Additional Services

- On-demand services (e.g. debt collection for rent / utilities)

5

## Termination & Lender Protection

- Early termination provisions
- Compensation mechanisms
- Financier step-in rights

# STRUCTURE OF THE PPP CONTRACT



## Content of the contract

- |   |  |
|---|--|
| 1. Definitions and interpretation               | 14. Health and safety  |
| 2. Appointment                                  | 15. Professional team  |
| 3. Term of project agreement                    | 16. Services   |
| 4. Delivery of required documents               | 17. Maintenance of the affordable housing developments                   |
| 5. Representations, warranties and undertakings | 18. Authority step-in  |
| 6. Land issues and the sites                    | 19. Tenant nomination, tenant management, tenant rent and tenant arrears |
| 7. Necessary consents                           | 20. Reports  |
| 8. The works                                    | 21. Records  |
| 9. Design review procedure                      | 22. Liaison procedure  |
| 10. Quality assurance                           | 23. Representatives  |
| 11. Construction programme                      | 24. Performance monitoring   |
| 12. Independent tester                          | 25. Payment  |
| 13. Commissioning and completion                | 26. Market testing and benchmarking                                      |

# STRUCTURE OF THE PPP CONTRACT



## Content of the contract

27. Taxes, withholdings and payment adjustments
28. Value added tax
29. Real estate tax
30. Variations
31. Change in law
32. Transferring employees
33. Staff
34. Termination for ppp co. Default, breach of the refinancing provisions and corrupt gifts and fraud
35. Termination for authority default
36. Voluntary termination by the authority
37. Termination for force majeure, risks uninsurable, change in law and substantial modification, mandatory exclusion or serious infringement
38. Compensation on termination
39. Handback
40. Compensation events
41. Relief events
42. Force majeure
43. Entitlements
44. Dispute resolution procedure
45. Insurance
46. Indemnities
47. Refinancing
48. Assignment
49. Change in ownership
50. Sub-contracting
51. Confidentiality
52. Public relations and publicity

# STRUCTURE OF THE PPP CONTRACT

## Content of the contract



53. No agency

54. Notices

55. Financial adjustments

56. Data protection

57. Costs and expenses

58. Sole remedies

59. Waiver

60. Severability

61. Amendments

62. Language

63. Counterparts

64. Governing law

65. Jurisdiction

66. Waiver of immunity

## Annex (schedules)

1. Definitions

2. Handback requirements

3. Works requirements

4. Construction programme<sup>1</sup>

5. Review procedure

6. Certification procedure

7. Tests on completion

8. Sites

9. Services requirements

10. Required documents

11. Reports and records

12. Payment mechanism

13. Financial model

14. Compensation on termination

15. Funder direct agreement

16. Ppp co. And its shareholders

17. Independent tester contract

18. Required insurances

19. Quality assurance

20. Commercially sensitive information

21. Form of tenancy agreement

22. Allocations protocol

23. Professional team

24. Ppp co. Proposals

25. Representatives

# CLARITY OF ROLES AND RESPONSIBILITIES

## Institutional Setup

- SRE and municipalities sign Inter-Institutional Agreement, delegating SRE to represent municipalities
- Municipalities are not signatory parties in PPP agreement
- Private partner is not a party to the inter-institutional Agreement

→ **No direct contract between municipalities and private partner**

## Payment Flow

Private partner directly transfers payments to:

- Municipality (rent)
- Utility providers

**Tenants (rent & utilities) → Private partner**

## Roles & Responsibilities

- **SRE:** manages communication with municipalities, coordinates decisions
- **Municipalities:** tenant decisions (candidates, start/end, debt)
- **Private partner:** operations + rent and utilities collection + debt collection (if requested)

## PPP Payment Mechanism

- Private partner receives quarterly Availability Payments

**Subject to both availability and performance deductions**

Information contained in this presentation may assist any interested third party to commence preparation for the prospective procurement to select the most appropriate private partner for the implementation of this public – private partnership project for designing, building, financing, maintenance and hand-back of affordable housing in six municipalities. However, this information is of informative character only and shall in no case be relied upon by any third party. Any information included herein is subject to any amendment, ad on, variation or change of any nature, purpose, scale or scope. Nothing in this presentation constitutes any legally binding promise or guarantee on the part of the Republic of Latvia or any public partner (with no exception or limitation including any municipality).

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