

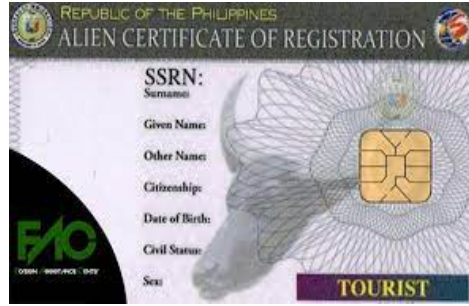
Public-Private Partnerships by Cebu City

Atty. Alberto C. Agra

Law Professor, PPP Law and Local Government Law
Advocate, PPP for and with the People, and PPP Law-for-All
Certified Specialist, Certified PPP and Regulation Specialist™
Former Public Servant, Acting Secretary of Justice,
Acting Solicitor General, Government Corporate Counsel, and
Chairman of the Philippine Reclamation Authority

19 February 2026

Government Projects



Cebu City wants to [1 to 6] with/ from/ to the private sector:

1. Undertake a **transport terminal** project and the City has **enough funds**?
2. Redevelop its **public market** but the City has **no funds** and it wants to earn **revenues**?
3. Implement a **paid parking** project and the City has **no funds** and it wants to earn **revenues**?
4. Accept a **donation of land**?
5. Form a **development corporation**?
6. Sell its **land**?

Contracting Options/ Governing Law:

- a. PPP under the PPP Code
- b. Purely Commercial Scheme under City Ordinance
- c. Procurement under NGPA
- d. Corporatization under the Revised Corporation Code
- e. Donation under the Civil Code
- f. Divestment under a COA Circular

PPP Code and IRR



Dates	Milestones/ Activities
December 5, 2023	Republic Act No. 11966 (Public-Private Partnership Code) signed into law.
December 23, 2023	PPP Code became effective.
March 22, 2024	IRR published.
April 6, 2024	IRR became effective.



PPP defined

- A **contractual** arrangement between an **Implementing Agency (IA)** and a **Private Partner (PP)**
- to **finance, design, construct, operate, and maintain**, or any combination or variation thereof,
- **infrastructure or development projects** and services which are **typically provided by the public sector**,
- where each party **shares in the associated risks** and
- where the **investment recovery** of the PP is **linked to performance**.



Rationale of PPP

Private Sector

- Indispensable role
- Mobilize its resources
- Financing
- (Additionality)

Impact and Values

- Public interest
- Better quality of PPP Projects
- **Local autonomy**
- Program Integration
- Open, fair, transparent, and competitive selection

Implementing Agencies: *Public Partners*



National

1. National Government
2. State University and College
3. Government-Owned and -Controlled Corporation
4. Government Instrumentality with Corporate Powers
5. Water Districts
6. Government Financial Institutions
7. Economic Zones

Local

1. Local Government Unit
 - a. Province
 - b. City**
 - c. Municipality
 - d. Barangay
2. Local University and College

Private Party



- **Private Partner** - private sector entity determined to be **financially, legally, and technically capable** to undertake obligations under an awarded PPP contract
- **Private Proponent** - private sector entity which has **submitted bid** in relation to a Solicited Project, or a private sector entity which has **submitted an Unsolicited Proposal**; may be **Filipino or foreign-owned**, and may engage the services of a foreign Contractor or foreign Facility Operator, subject to requirements and limitations provided under the Constitution, existing laws, rules, and regulations
- **Facility Operator** - any entity allowed and duly registered and licensed under Philippine laws, which may or may not be the Private Partner, that shall be responsible for **operating and/or maintaining a facility**
- **Contractor** - any entity allowed and duly registered and licensed under Philippine laws, which may or may not be the Private Partner, that shall be responsible for the **construction and/or supply of equipment or services** for PPP Projects

Approving Bodies



ED Council

ICC

Cabinet
Secretary

GOCC/ GI
Board

Sangguniang
Panlungsod

LUC Board

Pre-qualification/ Quali, Bids and Awards Committee (PBAC) Composition (*Min.*)



1. Chairperson – the City Administrator or at least a third ranking permanent official of the City
2. City Treasurer or Accountant
3. City Planning and Development Coordinator or Engineer
4. City Legal Officer
5. A representative from and selected by the *Sangguniang Panlungosd* designated through a resolution

Nos. 2-5: can be external consultants/ entities



PPP Projects

- **Infrastructure or development projects and services**
- **Typically provided by the public sector**
- **Used by the public**
- **Consistent and responsive to national, local, and sectoral development and investment plans**
- **Part of list submitted to appropriate oversight agencies, DEPDev, RDC, Sanggunian and the PPP Center**
- **Demonstrate Value for Money (VfM) - Effective, efficient, and economic use of resources**


HARD

INFRASTRUCTURE ASSETS

-  Road
-  Water
-  Power
-  Ports
-  Reclamation
-  Sports Complex
-  Markets
-  Transport Systems
-  Terminal
-  Government Buildings
-  Parks
-  Information Technology
-  Cemetery
-  Solid Waste Management
-  Bridges
-  Malls

SOFT

SOCIAL ASSETS AND SERVICES

-  Classroom
-  Hospital
-  Agriculture
-  Housing
-  Evacuation Center
-  Prisons

BUNDLED



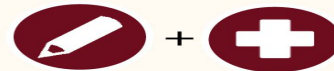
Hard and Hard



Hard and Hard



Hard and Hard



Soft and Soft



Hard, Soft and Soft



Hard, Hard and Soft





29+ Eligible Types of Projects

1. Highways
2. Land transportation systems
3. Transport projects
4. Port infrastructure
5. Maritime infrastructure
6. Airports
7. Power
8. Energy efficiency
9. Telecommunications
10. Information Technology
11. Irrigation
12. Water
13. Educational infrastructure
14. Health infrastructure
15. Multi-purpose water resources
16. Land reclamation
17. Industrial and tourism estates
18. Government buildings
19. Urban redevelopment
20. Heritage preservation
21. Markets
22. Warehouses
23. Public fish ports
24. Agri-fishery industrial hubs
25. Cold chain systems
26. Prisons and national defense or security-related facilities
27. Solid waste management
28. Climate change adaptation
29. Other Infrastructure or Development Projects



2 Types Projects

Public

- Capitol Building
- Water Supply
- Public Roads
- Public Bridges
- Public Hospitals
- Public Market
- Socialized Housing

Commercial

- Hotel
- Commercial Space
- Commercial Sports Facilities
- Paid Parking
- Specialty Private Clinics
- Shopping Malls
- Condominiums

PPP RESOURCE EXCHANGE



Modality	Government		Private Sector	
Build-Operate-Transfer				
Joint Venture				
Concession				
Management Contract				
Public Land Lease				
Policy-setting		Building		
Financing		Operating		

Delineation of Functions
("Division of Labor")



PPP Code-Covered Arrangements

PPP as defined/ satisfies elements or as may be approved by Approving Body

1. Joint Venture for public or public-commercial purposes
2. Lease for public or public-commercial purposes
3. BOT, BT, BLT, BOO, BTO, CAO, DOT, ROT and ROO
4. Operate and Maintain
5. Toll operation agreements or supplemental toll operation agreements, or any contractual arrangements involving the Construction, O&M, or a combination or variation thereof, of toll facilities



10 Exclusions

1. Procurement
2. Exclusively ODA Projects
3. Management Contracts
4. Service Contracts
5. Divestments or Dispositions
6. Corporatization
7. Incorporation of Subsidiaries
8. Onerous Donations
9. Gratuitous Donations
10. JV Agreements and leases involving purely commercial arrangements



Approval of Local PPPs

Regardless of Project Cost

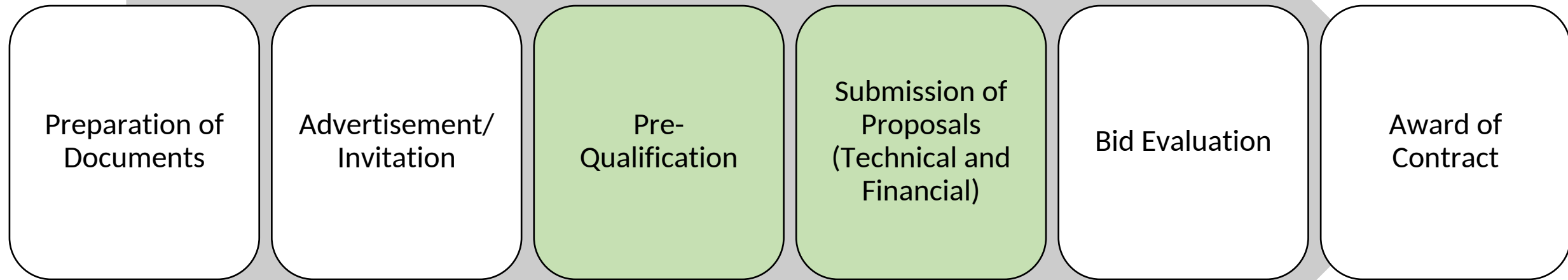
- Approved by the **Sangguniang Panlungsod** within 120 c. days (non-delegable; inaction = approval)
- Confirmation/ endorsement by **City Development Council** prior to approval (*30 days, approval by inaction*)
 - Review if aligned/ consistent with local development plans
 - Review project and identify concerns
 - Submit confirmation and results of review
- **City Legal Officer**
- **ICC** if with Availability Payment (from GAA) and Government Undertakings



Approval of PPPs: Completeness

1. Complete feasibility study
2. Traceable economic and financial models in electronic copy
3. Proposed parameters, terms, and conditions (PTCs)
4. VFM analysis
5. Valuation report, as applicable
6. Documentation of the stakeholders' consultations conducted, including the participating sector or communities consulted
7. Draft PPP Contract

Solicited Project: Process



1. Feasibility Study
2. Draft Contract
3. PTCs
4. Consultation
5. Instructions/ Forms
6. Proposal Securities

- 3 Tests
1. Legal
 2. Technical
 3. Financial

Most Responsive/
Advantageous

- 3 Scenarios
1. 2 or more
 2. Single/ only 1
 3. Failed/ 0

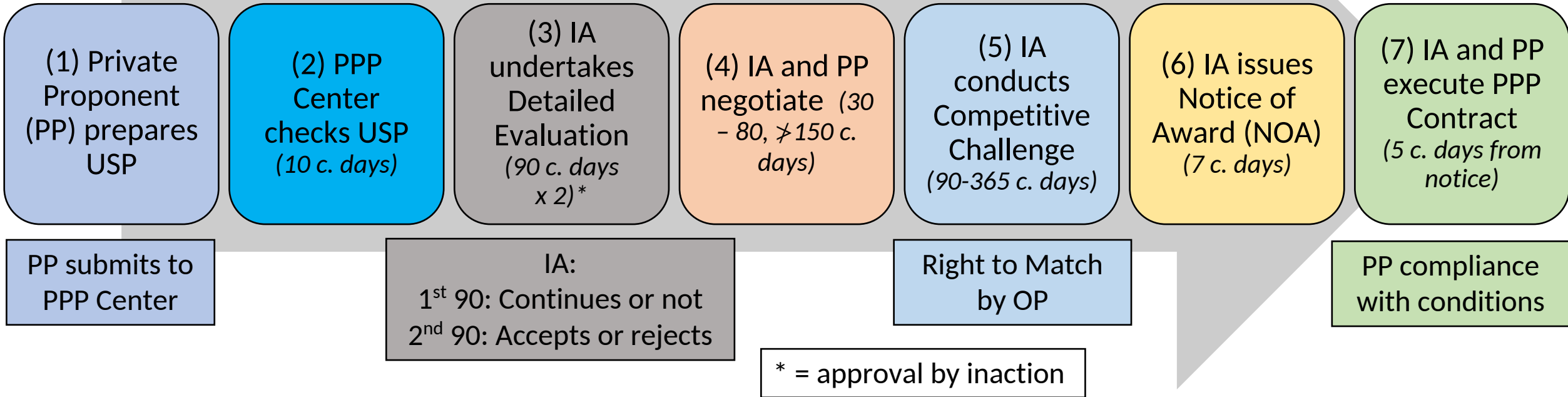
Unsolicited Proposal (USP): 7 Stages



- USP Completeness
- Appropriate Approving Body
- If complete, endorsed to Implementing Agency (IA)
- No decision = USP incomplete

- Successful (or failed) negotiations
- If successful, PP conferred Original Proponent Status (OP) valid for 1 year
- USP and PTCs submitted to Approving Body for approval (120 c. days)*
- If Local PPP, LDC endorsement (30 c. days)*

- Awarded to OP (no challenger or OP able to match superior offer) or Challenger (OP not match)
- NOA subject to conditions (20 days)



Private Sector Initiative (PSI) under Template Ordinance



(1) Private Sector Proponent (PSP) prepares PSI and submits to City

(2) City evaluates then accepts PSP becomes Project Originator (or rejects)

(3) City and Proponent Negotiate (*Term Finalization*)

(4) City conducts Outbidding Process (*Competing Offer*)

(5) City issues Notice of Award then Parties sign Contract

≤ 30 c. days

≤ 30 c. days

≤ 30 c. days
+
≤ 15 c. days



Proposed Ordinance

PPP Code vs. PPP Ordinance



Aspects	PPP Code	Commercialization Ordinance
<i>Application</i>	All LGUs	Specific LGU
<i>Covered Arrangements</i>	<ol style="list-style-type: none"> 1. JVs for Public or Mix of Public and Commercial purposes 2. Leases for Public or Mix of Public and Commercial purposes 3. BOT, BT, BLT, BOO, BTO, CAO, DOT, ROT and ROO 4. Operate and Maintain 	For purely commercial, revenue-raising, and asset monetization purposes: <ol style="list-style-type: none"> 1. JVs 2. Leases
<i>Study</i>	Feasibility Study	Feasibility or Pre-Feasibility Study
<i>Approving Body</i>	Sanggunian	LGU: LCE and Sanggunian
<i>Unsolicited Prop.</i>	Government Undertakings not allowed	N/A
<i>Timelines</i>	Mandatory Minimums	N/A
<i>Other Agencies</i>	PPP Center (for completeness) and ICC (when GAA)	N/A



 www.albertocagra.com

 09175353823

 alberto agra

 alberto.c.agra@gmail.com

Together, let us learn-unlearn-relearn.

Thank you.