

APPENDIX - II**Format for Feasibility Study Report****(see regulation 8)**

- (1) **Executive Summary**
 - Part A: Feasibility Assessment**
 - (2) Project background
 - (3) Strategic needs assessment, demand assessment and project scoping
 - (4) Service standard — output and services
 - (5) Market assessment
 - (6) Technical feasibility
 - (7) Financial feasibility including IRR and ERR
 - (8) Environment impact
 - (9) Legal framework
 - (10) Stakeholder consultation findings and public interest evaluation
 - (11) Public sector comparator, value for money assessment and recommendations
 - (12) Conclusion and recommendations on feasibility assessment
 - Part B: Structuring**
 - (13) Risk assessment
 - (14) Key commercial principles and payment mechanisms
 - (15) Evaluation criteria for selection of the private entity (preliminary indication)
 - (16) Implementation plan (preliminary indication)
 - (17) Project resource requirement
 - (18) Conclusion and recommendations on structuring

Appendixes (other supporting documents)**The content of the Feasibility Study report is discussed in detail below****1. Executive summary**

This summary should provide of the following information —

- (a) Current service provision, if applicable and future requirements;
- (b) A summary of the full list of options;
- (c) A summary of the options selection procedure and the options chosen for detailed examination;
- (d) A summary of the comparative findings and justification for the preferred option; and
- (e) Highlights of the implementation plan.

Part A: Feasibility Assessment**2. Project Background**

This section should provide a background on the project location, type of infrastructure, the Contracting Authority, previous studies undertaken, and previous approvals received etc.

3. Strategic Needs Assessment, Demand Assessment and Project Scoping

This section will analyse current and future needs. An analysis of the user's needs should be included. The following issues should be addressed:

- (a) Existing or envisioned service gaps;
- (b) Key stakeholders and their requirements; and
- (c) Consultation plan with key stakeholders to ensure that the Project remains relevant.

Assessment of demand should also be included in this section. Project scoping Component should determine and define the scope of the Project, outlining the services to be delivered.

4. Service Standard — Output and Services

This section will translate the needs identified in the previous step into specific outputs. The following issues should be addressed:

- (a) Impact of the proposed Project on the service gaps identified above and overall objectives the Project aims to achieve;
- (b) Outputs expected from the Project, stated in measurable and quantifiable terms as far as possible;
- (c) Support service outputs (the outputs that are not the key drivers of the Projects, but have potential to enhance the Project's value for money); and
- (d) Relevance of the Project to the Contracting Authority's long-term strategic goals and overall national development plan.

5. Market Assessment

Once the project outputs have been specified, assessment of the market potential can commence. The purpose of market assessment study is to assist the Contracting Authority in deciding how to design, and deliver the Public Private Partnership Project. The study may address the following elements:

- (a) Description of the industry;
- (b) Current market analysis (current offerings, market players and their capability and appetite);
- (c) Competition (alternative service and product offerings);
- (d) Anticipated future market potential;
- (e) Potential market players and sources of revenues; and
- (f) Demand projections.

6. Technical Feasibility

This component details how the Project can be delivered (*i.e.*, outline technical solution). The study should address the following elements:

- (a) Field surveys of the project site, which may include (depending on the Project) mapping, topographical and eotechnical surveys;
- (b) A preliminary technical design of facilities required to provide the project outputs. This should consider alternative design options, taking into account uncertainty in the demand projections and other site-related uncertainties;
- (c) Materials and other inputs requirements;
- (d) Alternatives (such as those involving usage of existing assets for the Project, rather than creating new ones; or achieving the desired outputs by some means other than the proposed solution) and their assessment in relation to the possibility of achieving the targets of the Project; and
- (e) Capital expenditure cost assessment and operating and maintenance cost assessment based on the components of the preliminary technical design.

7. Financial Feasibility

This component provides an estimate of project costs based on recommended technical solution and identifies possible financing solutions. The study should address the following elements:

- (a) Project costs (initial and replacement capex, cost of upgrades, opex);
- (b) Start-up capital;
- (c) Sources of financing;
- (d) Potential revenues;
- (e) Estimated returns; and
- (f) Consulting costs.

8. Environment Impact

This section should examine environmental considerations, including details of any environment impact study conducted.

9. Legal Framework

This component examines the suitability of existing legislative environment for the execution and running of the Project, as well as any licences or requirements that potential service providers need to comply with. The study should address the following elements:

- (a) Appraisal of current legislative environment in relation to requirements of the Project;
- (b) Assessment of required amendments to the current legislation;
- (c) Legal requirements for the proposed market and organisational structure; and
- (d) Other legal issues that may inhibit / prevent the development of the Project.

10. Stakeholder consultation findings and public interest evaluation

This component should state the findings of the consultation process with the various stakeholders including but not limited to:

- (a) Users;
- (b) Developers;
- (c) Community participants;
- (d) Citizens likely to be affected;
- (e) Financers; and
- (f) Other relevant government authorities.

11. The Public Sector Comparator (PSC), Value for Money and recommendations

This section should state the reference project and detail the computation of the Public Sector Comparator and resultant Value for Money for the Public Agency.

12. Conclusion and Recommendations on Feasibility Assessment

This component should detail the key conclusions and recommendations on the Feasibility Assessment.

Part B: Structuring**13. Risk Assessment**

This section should identify all material risks associated with the Project, specifying the external and project development risks for the Contracting Authority, the project risks to be allocated to the private entity in the case of Public Private Partnerships and those to be retained by the Contracting Authority.

14. Key Commercial Principles including Payment Mechanisms

This section should detail the key commercial principles for the Project. These commercial principles would include among other principles, the payment mechanisms, relief, compensation and force majeure events, default events, termination payments, the Contracting Authority's step- in, cure rights, insurance etc.

15. Evaluation Criteria for selection of the private entity

This section should explain the options regarding the evaluation criteria for selection of the private entity. This would be preliminary and subject to finalization of the RFP.

16. Implementation Plan

This section should detail the activities and timelines during the project development period. It should also state the person or entity responsible for each activity.

17. Project resource requirement

This section should detail the resources required during and after the project development period.

18. Conclusion and Recommendations on Structuring

This section should detail the key conclusions and recommendations on the project structuring.

Appendixes (other supporting documents)

Any supporting documents should be included in the section like detailed projected financial statements, detailed environment impact assessment study, detailed technical report, detailed review of legal framework, etc.