

Expressions of Interest

Purposes of the Expressions of Interest process

The Expressions of Interest process¹ has a number of purposes:

1. It formally advises the market of the project and the services that government seeks
2. It communicates the proposed timelines for the project, together with government's evaluation criteria and any hurdles that will be applied to bids
3. The response to the expressions of interest process confirms the level of market interest in the project
4. The process allows potential bidders to comment on the proposed project structure
5. The process enables government to form a view on bidders' capability of delivering against the project objectives, and hence enables government to identify a small number of highly capable consortia who will provide strong competition for one another when asked to provide detailed bids.

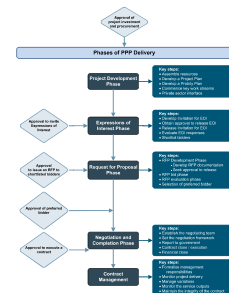
Information Required in Expressions of Interest

At the expressions of interest stage, the focus is on the capability of the consortia and their understanding of the project. To enable government to assess these matters, the information requested includes:

1. Details of consortium members, the nature of their agreement to bid as a consortium, and indicative terms of arrangements of any special purpose vehicle (SPV) that will be established for the project
2. An overview of the bidder's proposed approach to the project, but only to the extent necessary to:
 - Ensure the Project Brief accommodates any particularly creative solution; and
 - Demonstrate the bidder understands government's requirements
3. Details of bidder's expertise and financial position – However no details of proposed financing of the project are required.

Shortlisting

The practice in Victoria is to shortlist two or three consortia to proceed to the Request for Proposals stage.



Phases of PPP Delivery in Australia. (Click to enlarge.)

Source: *Infrastructure*

Australia, National PPP Guidelines: Volume 2 – Practitioners Guide

1. To access a copy of the Invitation for Expressions of Interest for the Melbourne Metro Rail Project, [click here](#) (registration is required).

If more than three consortia are shortlisted, they will view their chances of succeeding at the next stage of the bidding process as being too slim to justify the effort and expenditure of putting up a strong bid.

If only two consortia are shortlisted, government faces the risk of having an uncompetitive situation if one drops out of the process. In these circumstances, the terms of the bidding process have provided incentives to prevent either of the bidding consortia failing to offer a genuine competitive bid.

As the Casey Hospital project was a relatively small PPP, government was comfortable shortlisting three of the 10 consortia that submitted expressions of interest. The following table sets out the members of those three consortia. It can be seen that each of them includes a financier, a builder and a facilities management service provider.

	Progress Health Consortium	Berwick Partnership	Public Health Infrastructure Consortium
Financier	ABN-Amro	Deutsche Bank	Babcock & Brown
Builder	Multiplex Construction	Theiss	Leightons
Facilities Management	Multiplex Asset Management	Tempo	Honeywell

Table 1: Shortlisted bidders for the Casey Hospital Project