



DESPACHANTES DE ADUANAS Y LOGÍSTICA

## PUBLIC-PRIVATE PARTICIPATION REGIME (PPP)

### Applicable law

Law No. 18.786 was passed in the year 2011 and it regulates the applicable regime for Public-Private Participation Contracts, regulated by Decree No. 17/2012.

### Benefits

Decree 045/013 states that tax benefits provided by the Investment Promotion Act (Law 16.906) may be granted by the Executive Branch to Public-Private Participation contracts.

### Activities

One of the first uses based on this regime were construction works, routes restoration and maintenance, with the purpose of improving Uruguay's terrestrial connectivity.

## PUBLIC-PRIVATE PARTICIPATION CONTRACTS

Public-Private participation contracts are those in which the Public Administration commissions a person from the private law, for a specific period, to carry out any of the following services: infrastructure design, construction, maintenance or operation. The following are examples in which this regime may be applied:

- Road, railway, port or airport works;
- Power infrastructure works;
- Waste disposal and treatment works;
- Social infrastructure works, (for example: prisons, health centers, education centers, social housing, sports complexes and improvement works, urban equipment and development).

### Key parties of the Public Sector:

**Contracting Public Administration:** it is the public body interested in the project.

**Public-Private Participation Project Unit of the Ministry of Economy and Finance:** it is the bureau in charge of projects registry, study, control and follow up.

**Corporación Nacional para el Desarrollo (CND):** non-government legal entity governed by Public Law in charge of fostering projects and offering guidance for the contract drafting stage.

**Planning and Budget Bureau:** Division of the office of Presidency of the Republic in charge of the national public investment system, which works in coordination with the public sector investments.



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**Court of Auditors:** control body in charge of supervising the Budget execution.

**Contracting process:**

1. Public or private initiative.
2. Evaluation.
3. Approval of evaluation studies (the Planning and Budget Bureau and the Ministry of Economy and Finance intervene).
4. Public tender for interested parties through competitive methods.
5. Bid presentation according to the established requirements.
6. Study of bids.
7. Bid adjudication.

**GUARANTEES**

Before the opening of bids, bidders shall constitute a guarantee to maintain their bids, through cash deposits or in government securities, sureties or bank guarantees, in local or foreign currency, which the Administration shall expressly determine in the bid terms.

The successful bidder may apply the amount of the bid guarantee to the **contract performance guarantee** or may constitute a new one.