A B O G A D O S

Infrastructure and Projects News Decree No. 1467/2024

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The new decree regulating Law No. 5102/2013 on Public-Private Partnerships (PPP Law)

On April 4th, the Executive Branch enacted Decree No. 1467/2024 (Decree), which regulates Law No. 5102/2013 on Public-Private Partnerships (PPP Law), replacing the previous Decree No. 4183/2020. The main innovations are as follows:

1. Bid Submission System

The Terms and Conditions (TC) for bidding may define the bid submission system in a single technical-economic envelope or maintain the option of two or more envelopes.

In the case of a single envelope, the following aspects will be evaluated: (i) economic offer, (ii) administrative documentation, and (iii) technical evaluation. The evaluation system will be specifically provided for each project in the corresponding TC.

2. Adjudication of Bids with a Unique Offer

Adjudication of the bidding process is allowed even if only one offer is submitted. This must be justified by the contracting administration and a favorable opinion from the Ministry of Economy and Finance (MEF).

3. Contract Compliance Guarantees

The contract compliance guarantee may include both construction and operation guarantees in a single instrument. However, the option to submit each guarantee independently is maintained. The bidding TC will provide the conditions for these guarantees.

4. New Role of the MEF and the DGIP

The MEF, through the General Directorate of Public Investment (DGIP), is configured as the governing body for policies, programs, and plans related to Public-Private Partnership (PPP) projects. This implies that the DGIP will replace the Projects Unit of the Technical Secretariat of Planning (STP), which was absorbed by the MEF. The DGIP will assume the role of evaluator of PPP projects at various stages of their presentation. For example: risk analysis, economic offer evaluation, review of Value for Money analysis, among others.

5. Streamlining Deadlines

The restructuring of roles, including the absorption of the STP by the MEF, will lead to a reduction in the review, evaluation, and awarding timelines of projects.

Final Considerations

With these modifications, it is expected that projects coordinated by the DGIP under the PPP Law will be managed more efficiently. This will allow for quicker project awards while maintaining flexibility in guarantee requirements and enabling awards to single bidders.

The Paraguayan government has recently expressed interest in promoting specific infrastructure projects, which are detailed in the following <u>link</u>.





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