

PROPOSED ULTRA-MODERN PUBLIC CONVENIENCES

FEDERAL CAPITAL TERRITORY ADMINISTRATION (FCTA)

PROGRESSIVE CONCEPT CONSULTANCY LIMITED (PCC Ltd)

**RC -712759 - Nigeria
RC- 6685569 –UK**

**(+234(0) 803 642 2660)
(+44(0) 7789 264899)**

www.pcc-ltd.net

JULY 2009

INTRODUCTION

The Federal Capital Territory Administration (FCTA) is desirous of having an ultra modern public convenience as part of attempts to develop Abuja and its satellite towns into a world class city. The project is being proposed under a Public-Private-Partnership (PPP) arrangement. The plans are thus to ensure that the city is provided with basic infrastructure which will make it a better place to live and also a place that has infrastructure which compares favourably with international standards.

BENEFITS OF PROPOSED PROJECT TO FCTA

The proposed public conveniences within and outside Abuja will bring about the following benefits to the Federal Capital Territory (FCT).

1. Clean and Odour-Free Environment

The provision of modern public conveniences will, among other things, eliminate the disgusting sights of excrement seen around walkways, lawn and public places, which are not befitting for capital city like Abuja. With the provision of these facilities, many will find it more dignifying to use them rather than availing themselves of the next 'available' space causing odour and public nuisance.

2. Source of Income

The setting up of the public conveniences will lead ultimately to a significant source of income for the FCTA as a result of revenue that will be generated from the use of the facilities by the public.

3. Employment opportunities

The facility will create ample employment opportunities for quite a number of people that will be engaged in the running of the facilities at various locations within the FCT.

4. Promotion of Tourism

The availability of the public conveniences in the FCT will promote tourism. Tourists within and outside country will find the facilities very useful in the course of their tour and that will generally make Abuja a more attractive destination to visit.

BACKGROUND

Progressive Concept consultancy Limited (PCC Ltd) is a multidisciplinary consultancy firm with a collective and extensive experience of over 65 years shared between our core consultants in civil and building infrastructure, feasibility studies, design and project appraisal , technical and financial management , health and safety and the environment.

Preliminary on-site visit by PCC Ltd with the intention of having a firsthand appraisal of viable sites, traffic volume of the surroundings, the architecture and land availability for the facilities took place in May 2009.

PCC Ltd has a vision to develop a PPP arrangement with the FCTA and would be counting on the capabilities of the FCTA to provide infrastructural facilities such as road, electricity and allocation of land for the facilities. This proposal is thus a basis for establishing the framework.

POSSIBLE LOCATION OF FACILITY

1. Garki II

GARKI II is one of the fastest growing business districts within the Abuja metropolis, it has high human traffic turnover due to the various business offices and the newly completed ultramodern market within the district. We would estimate a conservative population of not less a hundred thousand a day conduct one form of business transitions in Garki II daily.

2. Garki Area 1

Garki Area 1, which covers the old Federal Secretariat, Area 1 shopping complex and Area 1 motor garage can be considered as another point for citing a public convenience. There is high human traffic around the area and a lot of buying and selling and other transactions take place in the area. It will thus be a viable option to site a facility there. The area will have not less than a hundred and fifty thousand people around the location on week days.

3. The Central Area

The central area can be said to be the Abuja city centre, where most of the government and administrative offices are located. A lot of people visit this area on a daily basis for personal and official functions from within and outside the FCT. Locating an ultramodern public convenience facility in this strategic location will be a good alternative for those who are not lodging in a hotel but need to get refreshed.

4. Wuse Market Area

Wuse market is a central converging point within the metropolis; the market draws heavy patronage and substantial business activities from other shopping complexes around. Also with the residential area in close proximity, locating a public convenience around this area will go a long way in caring for the convenience of the teeming population that visits the area daily.

5. Wuse II

Wuse II can also be considered as a potential location for the proposed facility. The location has within it a large number of mega business complexes with substandard and unhygienic convenience facilities. It is based on this observation that we consider that an ultra modern facility will serve the highprofile business men and women that visit the area daily.

6. Jabi/Utako district

Jabi/Utako is also one of the fastest growing business areas in Abuja. The location has within it , a market, various private motor transport terminals and the public motor parks, with very many noticeable modern shopping complexes getting to close to completion . It serves as major arrival location for most travellers visiting Abuja. Considering locating a public convenience facility in this area will be viable.

7. Asokoro/Maitama

Asokoro/Maitama is well built-up area with largely residential and diplomatic population within the location. This area is not relatively densely populated, but a lot of people for one reason or the other may find it necessary to visit the areas to conduct their businesses from time-to-time. The sighting of the ultramodern public convenience within this location will therefore be a welcome development.

8. Millennium Garden

The millennium garden is a major tourist site in Abuja, with presently no ultra-modern public convenience facilities in place. Sighting one there will thus go a long way in meeting the need of tourists and fun seekers visiting the place.

9. Gwagwalada

Gwagwalada is one of the most populated and highly developed satellite towns of the FCT, this location has within it the mini campus of University of Abuja and the Gwagwalada teaching hospital and several residential and administrative offices. Locating an ultra modern public convenience in this most strategic location promises to be a viable initiative.

10. Kubwa

Kubwa is renowned to be the most well-developed satellite town in the FCT. It is densely populated and is majorly a residential area. The sighting of a public

convenience may also serve people living in houses with poor facilities and young people with poor or no accommodation trying to make ends meet.

DESIGN

The ultra modern public convenience will be designed to contain toilets, urinals and changing rooms with a design period of about 50 years. Type designs are as presented in the Appendix A to this proposal.

ECONOMIC AND FINANCIAL ASSESSMENT

In order to demonstrate the viability of the proposed project, an economic and financial assessment was undertaken. This assessment was based on the lifecycle costing of the scheme and projected revenue over the 20 year concessionaire period. Table 1 shows the breakdown of anticipated concessionaire lifecycle costs; whilst Table 2 reflects the projected income generation levels over a 5-yearly cycles.

TABLE 1: LIFECYCLE COSTING

<u>S/No.</u>	<u>Activity</u>	<u>Unit</u>	<u>Rate</u>	<u>No.</u>	<u>Estimated Cost</u>
1	Inception/Publicity	1	2,000,000.00	10.00	20,000,000.00
2	Feasibility/Detailed Requirements	1	1,000,000.00	10.00	10,000,000.00
3	Preliminary Design	1	1,000,000.00	10.00	10,000,000.00
4	Detailed Design and Construction	1	12,000,000.00	10.00	120,000,000.00
5	Commissioning into Service	1	3,000,000.00	10.00	30,000,000.00
6	Operation and Maintenance	1	100,000,000.00	10.00	1,000,000,000.00
7	Capital Redevelopment	1	5,000,000.00	10.00	50,000,000.00
8	Insurance	1	2,000,000.00	10.00	20,000,000.00
7	Handing Over Maintenance Works	1	5,000,000.00	10.00	50,000,000.00
TOTAL					1,310,000,000.00

TABLE 2: INCOME GENERATION

<u>S/No.</u>	<u>Proposed Charge Rate</u>	<u>Unit</u>	<u>Rate</u>	<u>No.</u>	<u>Estimated Cost</u>
1	Average Gate Charge - Yr 1-5	10.00	200.00	1,800,000.00	360,000,000.00
2	Average Gate Charge - Yr 6-10	10.00	400.00	1,800,000.00	720,000,000.00
3	Average Gate Charge - Yr 11-15	10.00	750.00	1,800,000.00	1,350,000,000.00
4	Average Gate Charge - Yr 16-20	10.00	1,000.00	1,800,000.00	1,800,000,000.00
TOTAL					4,230,000,000.00

A total of N1, 310,000,000.00 lifecycle cost was estimated based on costs relating to building the facilities, operating them and handing them over to the FCTA afterwards. Inception, feasibility and preliminary design costs are all costs projected for the build up to the main construction works. These would also include an allowance for servicing any applicable financing interest associated with costs for setting up the project. The main construction works estimate covers build costs for the actual construction costs including the costs for standby services except land costs.

Commissioning, operating and maintenance costs were estimated based on the costs of wages, cleaning, agency fees on revenue collection, etc. An allowance was also made for a 10-year capital re-development cost to ensure that the facilities are kept at an optimum performance levels after the first 10 years. Other lifecycle costs considered included the annual cost of insuring the facilities and also the cost of a 20 year major maintenance work prior to handing over

To determine the income generation levels, an estimated number of 100 people per 30 days, per 12 months in a year over the 5-year cycle across all the 10 sites were used as a basis to calculate traffic volumes. This totalled 1.8m people per 5 years as shown in Table 2. Estimated gate takings were put at: N200, N400, N750 and N1000 for years 1-5, 6-10, 11-15 and 16-20 respectively. Total income projections over the 20-year period amounts to N4, 230,000,000.00.

The costs above were then used to simulate the cost profiles (Table 3) and the cumulative cost profile curves (Figure 1). Table 3 shows the financial level over the 20-year period with annual cost requirements projected. The cumulative cost profile curve was then generated to determine the breakeven points and the profitability margin at the end of the concessionaire contract. A study of Figure 1 shows that the project will be expected to break even around the 5th year based on the estimated cost and income levels.

TABLE 3: SIMULATED COST PROFILES

	Cost Profile	Cum. Cost Profile	Income Profile	Cum. Income Profile
Yr.1	240,000,000.00	240,000,000.00	72,000,000.00	72,000,000.00
Yr.2	51,000,000.00	291,000,000.00	72,000,000.00	144,000,000.00
Yr.3	51,000,000.00	342,000,000.00	72,000,000.00	216,000,000.00
Yr.4	51,000,000.00	393,000,000.00	72,000,000.00	288,000,000.00
Yr.5	51,000,000.00	444,000,000.00	72,000,000.00	360,000,000.00
Yr.6	51,000,000.00	495,000,000.00	144,000,000.00	504,000,000.00
Yr.7	51,000,000.00	546,000,000.00	144,000,000.00	648,000,000.00
Yr.8	51,000,000.00	597,000,000.00	144,000,000.00	792,000,000.00
Yr.9	51,000,000.00	648,000,000.00	144,000,000.00	936,000,000.00
Yr.10	101,000,000.00	749,000,000.00	144,000,000.00	1,080,000,000.00
Yr.11	51,000,000.00	800,000,000.00	270,000,000.00	1,350,000,000.00
Yr.12	51,000,000.00	851,000,000.00	270,000,000.00	1,620,000,000.00
Yr.13	51,000,000.00	902,000,000.00	270,000,000.00	1,890,000,000.00
Yr.14	51,000,000.00	953,000,000.00	270,000,000.00	2,160,000,000.00
Yr.15	51,000,000.00	1,004,000,000.00	270,000,000.00	2,430,000,000.00
Yr.16	51,000,000.00	1,055,000,000.00	360,000,000.00	2,790,000,000.00
Yr.17	51,000,000.00	1,106,000,000.00	360,000,000.00	3,150,000,000.00
Yr.18	51,000,000.00	1,157,000,000.00	360,000,000.00	3,510,000,000.00
Yr.19	51,000,000.00	1,208,000,000.00	360,000,000.00	3,870,000,000.00
Yr.20	101,000,000.00	1,310,000,000.00	360,000,000.00	4,230,000,000.00

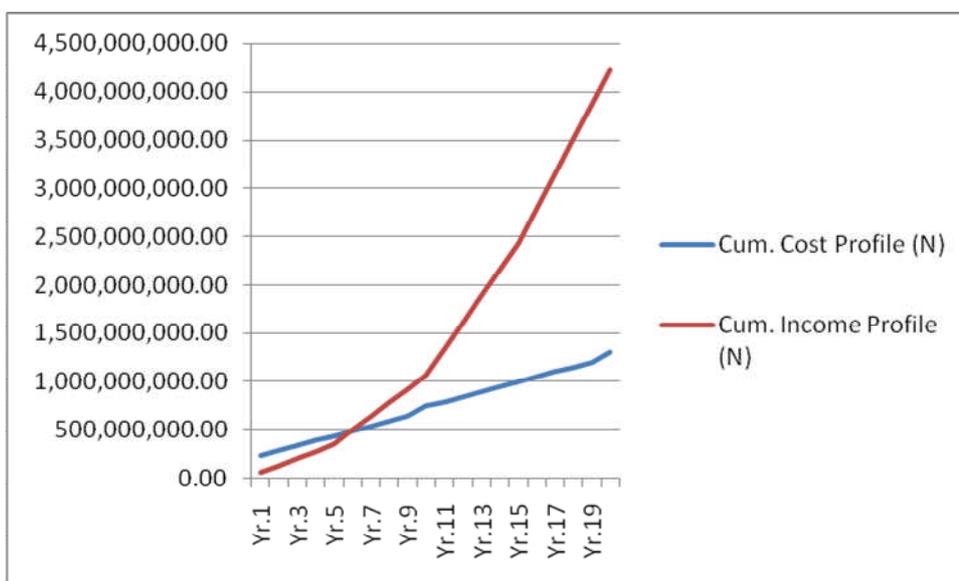


Figure 1: Cummulative Cost Profile Curves

PROPOSED CONTRACTUAL ARRANGEMENTS

It is proposed that the Public Private Partners investor will earn 80 percent, while the FCTA earn 20 percent of profit earned for 20 years of operation of the facilities before handing over to FCTA for total and complete ownership. PCC Ltd will represent consortium of investors in managing the facilities during the concessionaire period.

Figure 2 shows the proposed PPP organisational chart. PCC Ltd – the management consortium, will anchor the relationship between the proposed shareholding company, the Government (FCTA), the insurance companies and any financial institutions participating within the PPP framework. PCC Ltd will also arrange for and manage the construction contract and the facilities management contract packages.

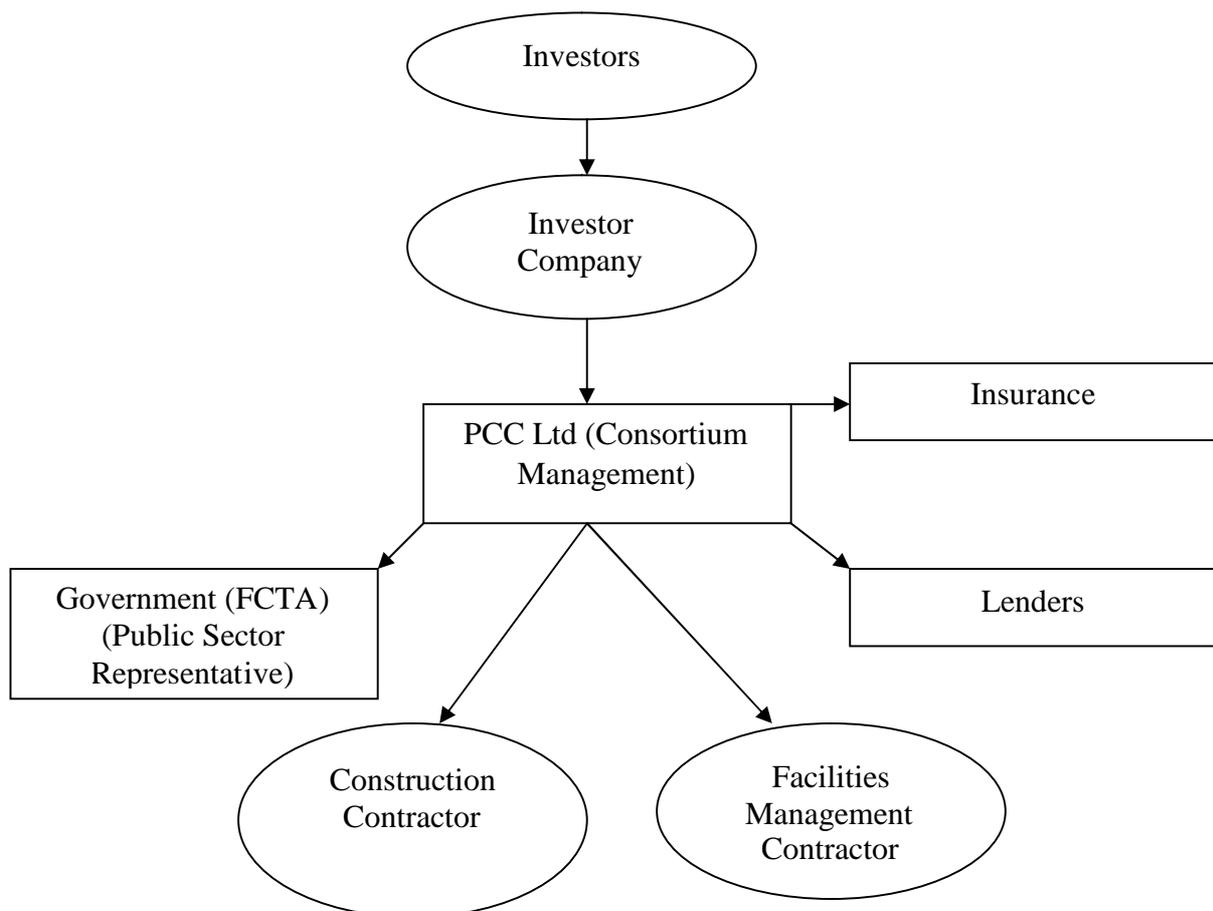


Figure 2: Proposed PPP Organisational Chart

Once an agreement has been reached on the proposed design and contractual terms within the PPP, the contract for execution will be signed between FCTA and PCC Ltd and an immediate call for investors will ensue. It is envisaged that the FCTA will assist with the cost of these publicity events in addition to the provision of land in suitable areas for the development. Detailed contractual terms are presented in Appendix 2. These highlight the envisaged roles of the contributing parties to the PPP and also the arrangements for managing the project.

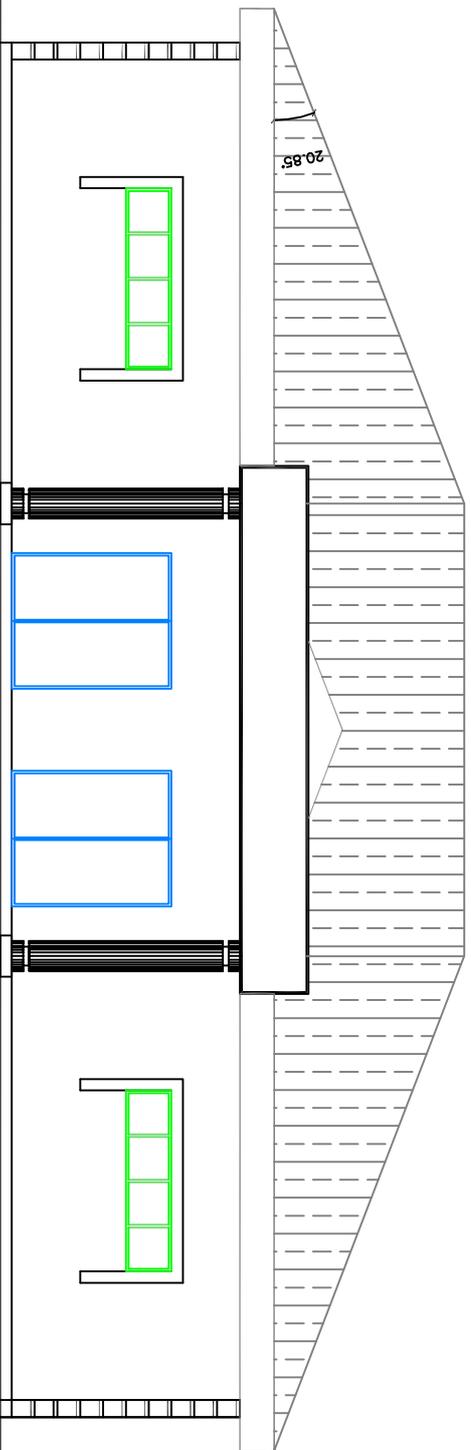
In addition to the successful implementation of the proposed organisational framework above, the success of this project will hinge on a number of other factors. In the first instance, there will be a need for the PPP contract to be a robust working document that will be legally binding on all parties throughout the duration of the PPP contract. Furthermore, the revenue collection component must be properly administered and managed throughout the entire process. Several options for revenue collection will be considered and agreed between the parties to the PPP contract. On the overall, emphasis will be placed on the possible adoption of a ‘cashless’ system pay-per-use system.

From PCC Ltd’s experience of similar projects on an international scale, the above processes – if properly implemented will enable a successful project.

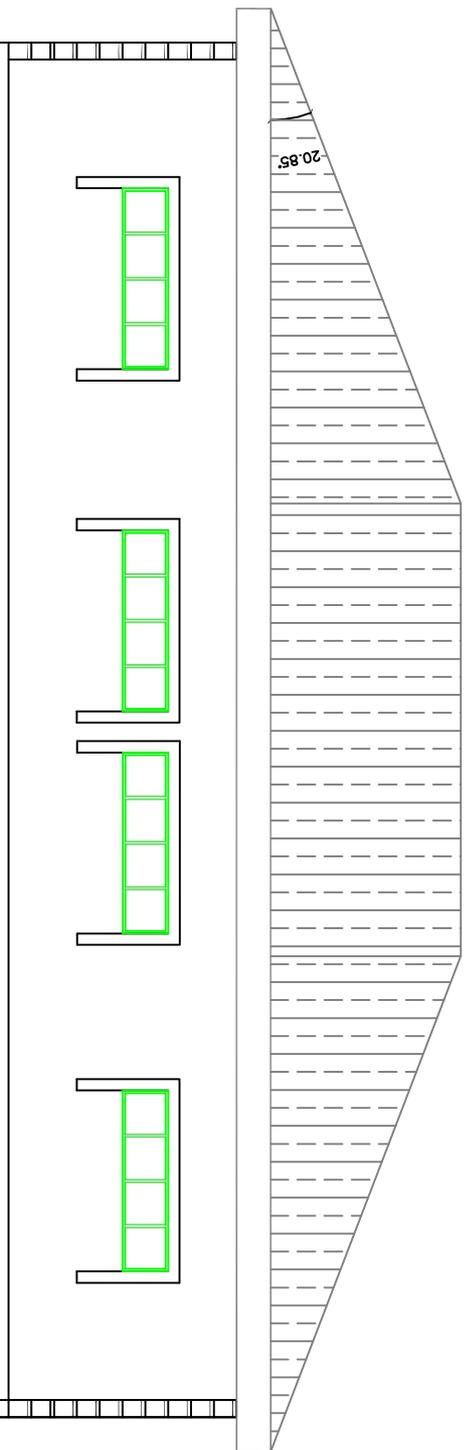
CONCLUSION

The building of ultra modern public convenience facilities within and outside Abuja metropolis will go a long way in enhancing the image and status of the FCT as a 21st century city. The economic and financial appraisal conducted indicates that the project should be financially viable and sustainable. The PPP approach to the development will ensure a rapid provision of the scheme while at the same time facilitating an addition to the ultra-modern public facilities owned by the FCTA.

APPENDIX A – TYPICAL DRAWINGS



Front Elevation



Back Elevation

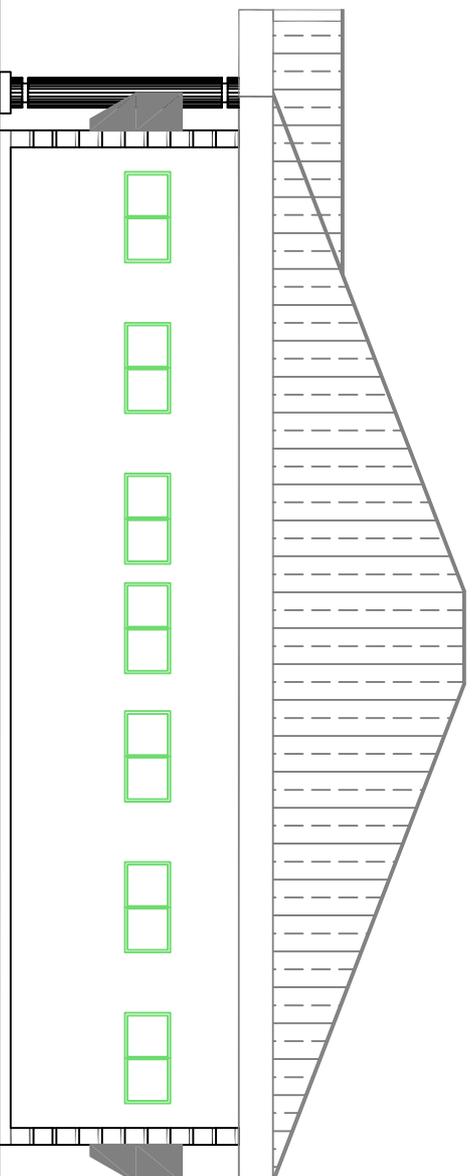
PROJECT	PROPOSED ULTRA MODERN SERVICES ABUJA
NOTES	SCALE 1:100
SHEET NO	2
DRAWN BY	DARE F.T.
TITLE	ELEVATIONS
CLIENT	PPP
DATE	JUNE 2009

PROJECT

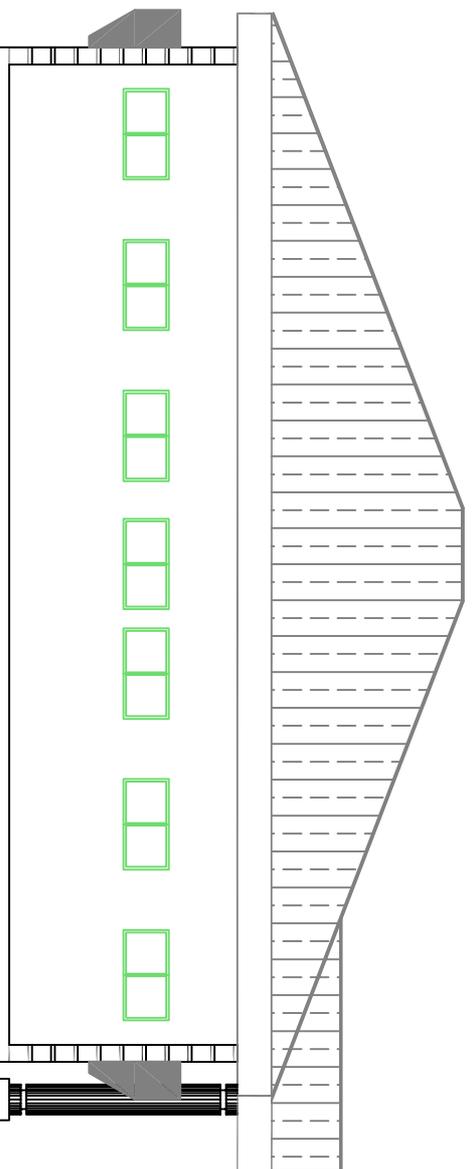
PROPOSED ULTRA
MODERN SERVICES ABUJA

NOTES

SCALE 1:100



Right Side Elevation



Left Side Elevation

SHEET NO

3

DRAWN BY

DARE F.T.

TITLE

ELEVATIONS

CLIENT

PPP

DATE

JUNE 2009

APPENDIX B - AGREEMENT

PROJECT: Proposed PPP Contract for the Provision of Ultra-modern Public Conveniences in the FCT

PROPOSED CONTRACTUAL AGREEMENT

BETWEEN

The Federal Capital Territory Administration (FCTA) herein referred to as the 'CLIENT'

And

Progressive Concept Consultancy Ltd (PCC Ltd) herein referred to as the 'CONSULTANT'

Definition of Terms

PPP – Public-Private-Partnership

Investor – Person or organisation with vested financial interests in the provision of the PPP assets

Profit – Monies made from collected revenues after all capital and facilities costs (including applicable interests) have been deducted

It is hereby agreed as follows:

1. 10 No. ultramodern facilities are to be constructed within the FCT under a PPP arrangement with the above organisations as the main parties to the contract.
2. The PPP Contract is to last for 20 years.
3. The 20-year period of this PPP will commence at the commissioning of the facilities and not before.
4. The Client will be responsible for the provision of the land, building (plan) approvals and associated arrangements for connecting services (i.e. electricity, water, etc) to the main buildings.
5. The Client will cover costs associated with publicity for generating Investor interest in the programme. These will relate to the costs for TV and other media adverts including the Internet.

-
6. The Consultant will be responsible for managing the Consortium for technical delivery within the PPP arrangement.
 7. The Consultant will be responsible for all insurance-related matters in respect of the facilities to be provided under the PPP arrangement.
 8. The Client will ensure business protection rights for the PPP throughout the duration of the Contract.
 9. The Contract will run to 'breakeven point' i.e. a recuperation of all capital investments (currently estimated at 5 years) after which it will progress on a profit-sharing basis, which is to initially be set at 80% to the Private Partners of the PPP (i.e. Consultant and Investors) and 20% to the Client.
 10. The profit-sharing percentages will be subject to annual review in which the interest of the investors will be the basis of such review.
 11. An Investment Company will be set up with the approval of the Client to help manage the funds of the investors and their returns as the PPP lifecycle progresses. This company will cease to exist at the completion of PPP lifecycle and handover of the facilities to the Client.

SIGNED:

Name:
For: CLIENT

Name:
For: CONSULTANT

WITNESSED:

Name:
For: CLIENT

Name:
For: CONSULTANT