

Bundled Courts Project, Ireland

Full Description

Project Summary:

Background

As part of the Government of Ireland's EUR 2¼ billion Infrastructure Stimulus Package and Public Private Partnership Program, a bundled court PPP project was announced in July 2012. The project involved the construction of new courthouse buildings in 4 locations and refurbishment and expansion work on existing courthouses in 3 locations.

These 7 priority projects were in poor condition and in urgent need of improvement, as identified by the Courts Service. The project aimed to help reduce waiting times and the costs of litigation. In addition, it was hoped that improvements in court buildings in locations around the country would increase judicial service delivery through the use of improved facilities and technology.

Project Structure

The National Development Finance Agency (NDFA) published a contract notice and five expressions of interest were received for pre-qualification by June 2014. After careful analysis, four consortiums were shortlisted and, in October that year, NDFA issued an invitation to submit bids. Following the receipt of the bids and after a detailed evaluation process, in June 2015 the Agency selected as the preferred bidder BAM PPP PGGM.

The NDFA, as procuring agent on behalf of the Courts Service, awarded the concession contract to BAM PPP PGGM to design, finance, build, and maintain the seven courthouse facilities for a 25-year period. Under the contract, BAM Courts Bundle Limited, the project company created to deliver this project, would also be responsible for providing services such as: cleaning, building and asset maintenance, waste management, pest control, passive security, energy management, grounds maintenance, life cycle replacement (fixtures, fittings, building), and IT cabling and infrastructure.

The facilities range in size from 1,354 m² to 8,490 m² and total 36,872 m². Construction works reportedly cost EUR 154.5 million (USD 173.29 million) and began in early 2016. The financing structure is a fully funded solution structured and arranged by the Bank of Tokyo-Mitsubishi UFJ. Ltd that included senior debt provided by Mitsubishi UFJ, a private placement solution by Talanx Asset Management GmbH, and an equity contribution by BAM PPP PGGM.

The private partner is paid a monthly, unitary charge by the Courts Service. The construction and availability risks were allocated to the private partner, with no payment of the monthly charge due until construction was completed and services commenced. These regular payments are also subject to availability-based and service performance deductions.

Some of the courts are new facilities, while others required only refurbishment and extension works. Several of the latter courts are protected structures that required intensive preservation work for their historical conservation. Furthermore, the courts are located in areas with possible archaeological remains, such that the private partner needed to obtain archaeological licenses for all seven sites prior to the financial close.

Lessons Learned

The courthouses were delivered throughout 2017 and 2018 and have entered into service. This has been reported to be a highly successful PPP arrangement.¹

Footnote 1: Sources: <https://www.bamppp.com/en/our-projects/irish-courts> Accessed on August 11, 2019.

<https://www.enterpriseireland.com/en/events/ourevents/meet-thebuyer-courts-bundleppp/market-launchday-presentation.pdf> Accessed on August 11, 2019.

<https://www.bamireland.ie/our-work/bambuilding/civic-buildings/courts-bundle-ppp/> Accessed on August 11, 2019.

<https://www.bamireland.ie/2018/11/23/mullingar-courthouseofficially-unveiled-tocomplete-nationwide149m-courthouseproject-by-bam/> Accessed on August 11, 2019.

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