

Version: May 2009

## JUSTICE COURT IN ÚSTÍ NAD LABEM

### I. General project information

|                            |   |
|----------------------------|---|
| <b>Project</b>             | Construction, maintenance and operation of a courthouse in Ústí nad Labem.  |
| <b>Public authority</b>    | Ministry of Justice   |
| <b>Strategy</b>            | <p>The Authority's strategic goal is to:</p> <ul style="list-style-type: none"><li>▪ solve an unsatisfactory situation of current buildings and to replace them by the courthouse fully suitable for judicial agenda in the region,</li><li>▪ verify the possibilities of cooperation with the private sector using PPP in the field of delivery of infrastructure and related auxiliary services as a standard tool to administer judicial needs.</li></ul>  |
| <b>Project aim</b>         | <p>Provide for the infrastructure and related auxiliary services using the PPP form with respect to:</p> <p>branch office of the Regional Court and District Court in Ústí nad Labem, the Regional and District Prosecutor's Office in Ústí nad Labem and the Probation and Mediation Service in Ústí nad Labem. About 600 employees are expected to work in the complex.</p> <p>The project will result in a larger floor area for individual judicial organizations to satisfy their current and future needs as well as the safety requirements on facility operation and security. The created parking capacity for the employees as well as for visitors is also very important. The concentration of all judicial organizations in a single complex will result in higher-quality services for residents as well as in cost savings, e.g. on facility guarding.</p>   |
| <b>Project description</b> | <p>Traditional judicial and prosecution activities, including probation and mediation services, will be carried out in the facility. The complex could be also used for commercial purposes to some extent – some parts could be rented by attorneys, notaries, court experts etc., which would result in lower fees for the Authority. The Czech justice will be the primary service recipient.</p> <p>In Ústí nad Labem, a site in the cadastral area of Bukov – Ústí nad Labem has been assessed as suitable.</p>  |
| <b>Status</b>              | <p>Project preparation was approved at the Czech Government's meeting dated 17th August 2005. A tender for advisors was launched at the Czech official public procurement website on 4th October 2005. At the beginning of 2006 the preferred advisory consortium was selected. The consortium consists of Mott MacDonald, Česká spořitelna, a.s. and CMS Cameron McKenna, v.o.s. The consortium started working in April 2006.</p> <p>The Outline Business Case was approved by the Steering Committee in February 2007 and by the Czech Government in Resolution No. 605/21 on 21st May 2008.</p> <p><b>The project was checked by the National Audit Authority and the findings were discussed with the Czech Government. In Government Resolution No. 71 of 19th January 2009, the Ministry of Justice was ordered to update the Outline Business Case to align it with the National Audit Authority's recommendations.</b></p> |
| <b>Capital value</b>       | The projected investment costs are CZK 1.4 billion (in Q3 2006 prices).   |

## II. Envisaged characteristics of the PPP project

Note

The information contained below (\*) is just a preliminary projection made by the Authority and shall not be in any case deemed as binding. The final information will be specified when the concession dialog is over.

PPP form\*

DBFO (Design, Build, Finance, Operate) and transfer to the state on the beginning of the project or after project expiry. Both solutions will be considered.

Contract duration\*

The contract length is estimated at 25 to 30 years, but the actual project length will depend on the final project conditions and will be determined with a view to maximizing the Authority's economic benefits.

Risk transfer\*

The private partner will bear the key risks, such as building, availability and operation risks. The public Authority will take over the risks arising out of the potential failure to adhere to contractual relationships and risks resulting from legislative changes.

Payment mechanism\*

The Authority will regularly pay a service availability fee for the provided services.

Project schedule\*

| Year                                       | 2007 |   |   |   | 2008 |   |   |   | 2009 |   |   |   | 2010 |   |   |   | 2011 |   |   |   |
|--|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
| Activities / quarter                       | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
| Preparation of Outline Business Case (OBC) | ■    |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| OBC approval                               |      |   |   |   | ■    |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Selection of concessionaire                |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Execution of Project Agreement             |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Construction commencement                  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| Operation commencement                     |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |

\*\* A valid schedule containing the subsequent steps has not been approved yet.

PPP Centrum  
Czech Republic

PPP Centrum is a center for PPP implementation in the Czech Republic; it is fully owned by the Czech Republic and reports to the Ministry of Finance. A representative of PPP Centrum is a member of the project's Steering Committee.

Contact

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