



KRAŠTO APSAUGOS MINISTERIJA

PUBLIC AND PRIVATE PARTNERSHIP IN IMPLEMENTATION OF MILITARY BASE INFRASTRUCTURE DEVELOPMENT AND PUBLIC SERVICES PROVISION PROJECT IN KLAIPEDA REGION, KAIRIAI

Vilnius
2024 September 25



MILITARY BASE INFRASTRUCTURE DEVELOPMENT AND PUBLIC SERVICES PROVISION PROJECT KLAIPEDA REGION, KAIRIAI

KAIRIAI PPP
Klaipeda region
Kairiai



KAIRIAI PPP
territory for project
development



Development of military infrastructure required for
LTU Armed forces and receiving country support needs
using PPP method

All information is preliminary and it will be updated in the future



MILITARY BASE INFRASTRUCTURE DEVELOPMENT AND PUBLIC SERVICES PROVISION PROJECT KLAIPEDA REGION, KAIRIAI

PURPOSE

- Provide technical and financial information to market representatives;
- get feedback from market representatives until October 3rd.



MILITARY BASE INFRASTRUCTURE DEVELOPMENT AND PUBLIC SERVICES PROVISION PROJECT

KLAIPEDA REGION, KAIRIAI

I. GENERAL PROJECT DATA

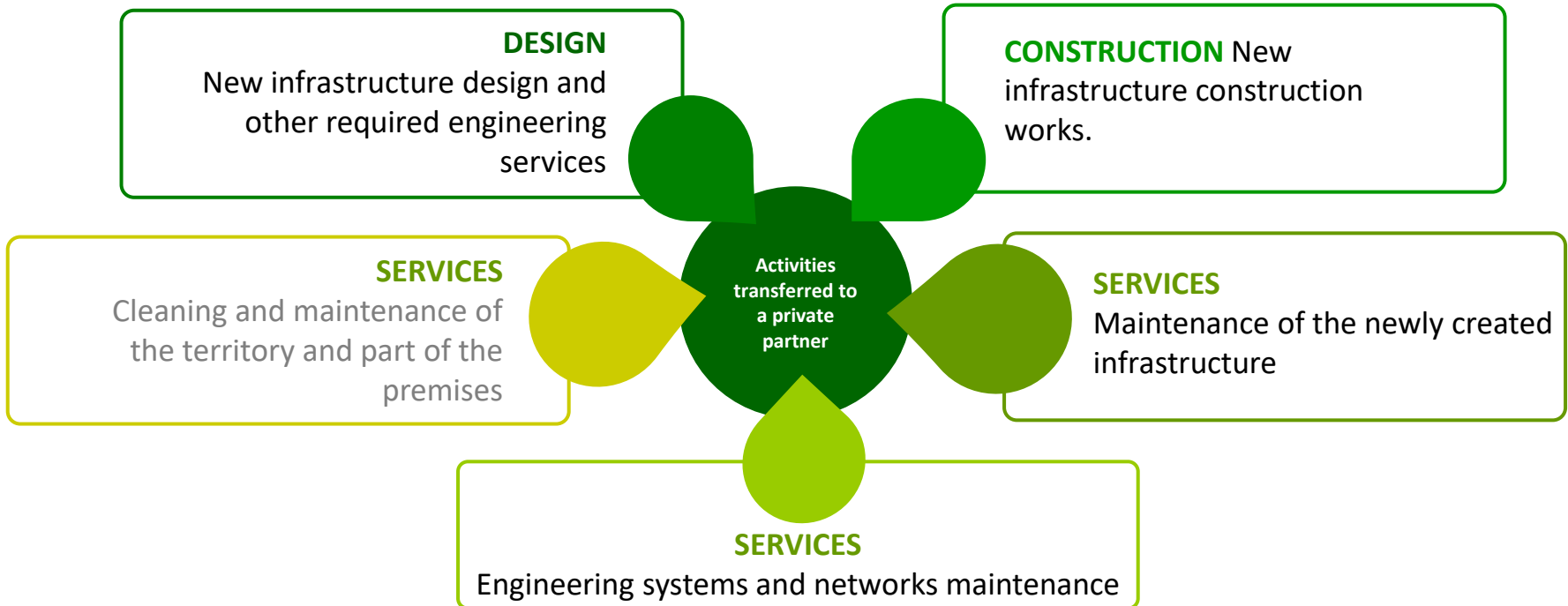
	KAIRIAI MILITARY BASE
Legal basis:	GRT decision 2024-02-07 Nr. 5KV-7
Institution implementing the project:	Ministry of National Defense Republic of Lithuania
Project implementation period:	18 years: <u>3 years</u> – investment period, <u>15 years</u> – operational period
Project partnership form:	Public and private partnership
Private partner selection method:	Competitive dialogue
Project scope:	Military base infrastructure development (~ 1400 soldiers, ~ 200 employees)
Max. buildings area/ site (part) area / number of buildings / number of engineering structures	~ 70.000 m² / ~ 62 ha / 27 units / 25 units
During the partnership agreement period rights are granted:	Lot. During construction period, the private partner must perform all necessary actions for the creation of the military infrastructure. Created infrastructure – property will belong to the state by right of ownership and will be managed, used and disposed by LTU Armed forces. The property won't be transferred to a private partner for management and use.

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II. ACTIVITIES TRANSFERRED TO A PRIVATE PARTNER



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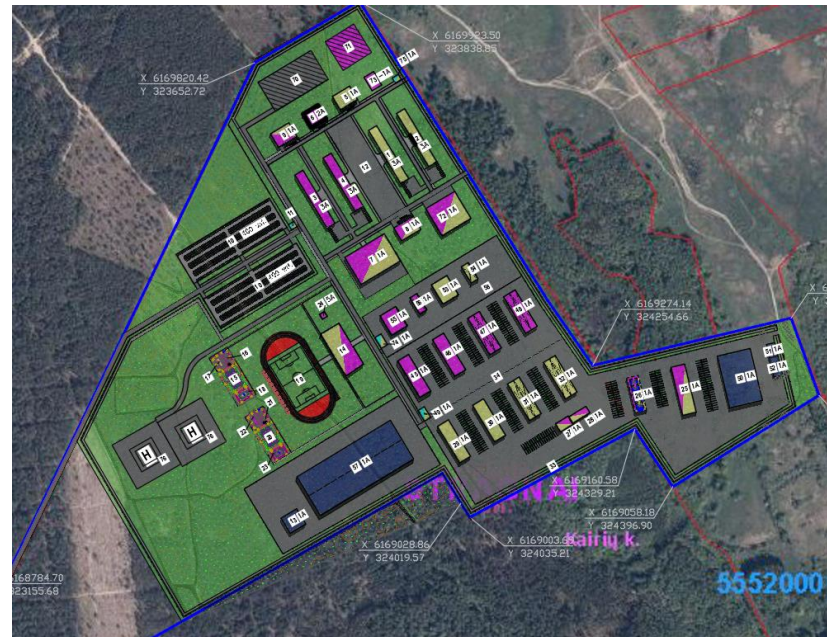
III. MILITARY BASE INFRASTRUCTURE DEVELOPMENT

Military base
infrastructure

- **Administrative / residential area buildings around 31.000 sq. m:** administrative buildings, barracks, dining facility, moral welfare building and etc.
- **Sport facilities around 20.000 sq. m:** indoor sport complex, outdoor courts, stadium and etc.
- **Technical park buildings around 25.000 sq. m:** garages, sheds, gas station, car wash, repair shops and etc.
- **Storage area buildings around 20.000 sq. m.:** warehouses, sheds and etc.
- **Hard surfaces around 121.000 sq. m :** parking spaces around 800, internal roads, parade ground, technical park area, pedestrian paths and etc.
- **Kiti statiniai:** helipad, antenna fields, engineering networks, fence and etc.

Military base
territory

- **Territory area around 62 ha;**
- **the development area will include two sites.**



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IV. FINANCIAL INFORMATION

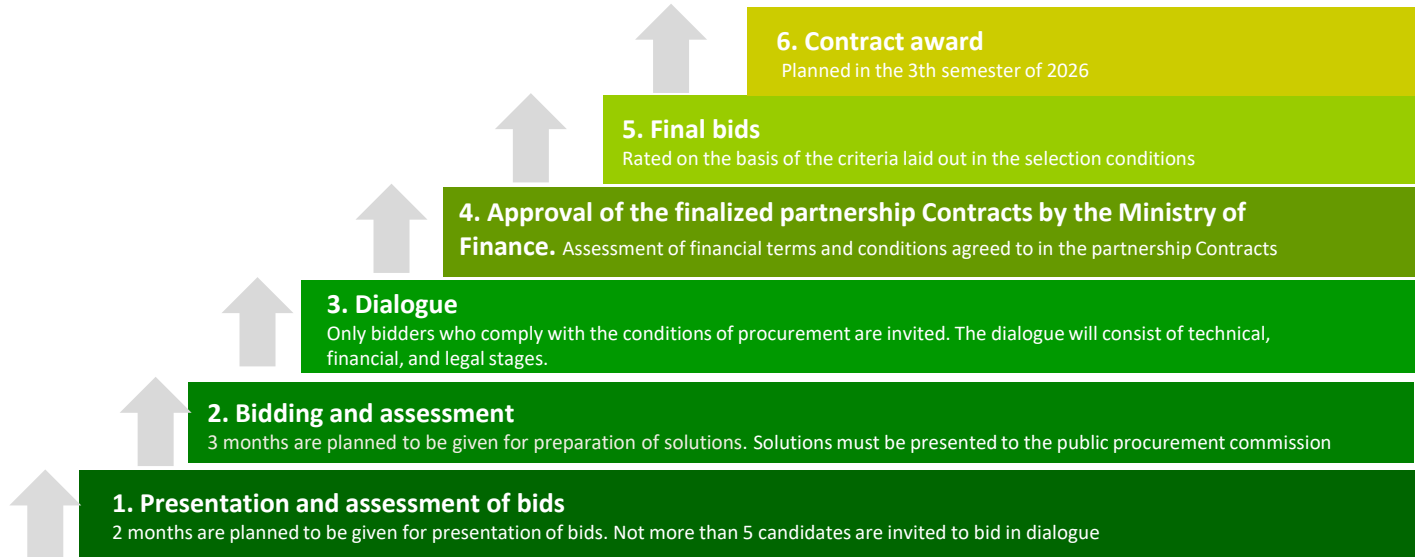
	KAIRIAI MILITARY UNIT		
	Net present value, 4 % discount rate	Real value	Nominal value, 3% inflation
Maximal property obligations of the public entity in the PPP project (€ m VAT incl.)	313 mln.	437 mln.	572 mln.
Maximal payments of the public entity to a private entity (€ m VAT incl.)	302 mln.	424 mln.	558 mln.
Capex (€ m VAT incl.)		200 mln.	



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V. SELECTION OF A PRIVATE ENTITY PROCEDURE

COMPETITIVE DIALOGUE



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VI. The following conditions shall not be changed:

- Property rights concerning property handed over for the implementation of the Contract or developed under the Contract when the Contract ends;
- Duration of the contract period (18 years).



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VII. National security conditions (1) / classified information requirements

- **Article 6(2) of the Defence public procurement law:** participant cannot be an economic entity that is not registered in a European Union or NATO member state. Likewise, the participant cannot engage subcontractors, financiers, or economic entities whose capacities are relied upon if they are not registered in a European Union or NATO member state.
- **The condition of Article 34(2)(5) of the Defence public procurement law** applies, stipulating that the offer is rejected if 'the Participant, its Subcontractor, the economic entity whose capacities are relied upon, the manufacturer, or the person controlling them (including the characteristics of the services provided, goods supplied, or equipment) is not reliable or poses a threat to national security. This condition also applies to the Financier.
- **A private entity complies with the classified information protection requirements:** it is authorized to handle or access classified information marked with the '**Restricted**' classification (this also applies to subcontractors who will work with information marked with this classification).



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VII. National security conditions (2)

- Points 1 and 2 of Paragraph 9, Article 40 of the Procurement law – the procurement will include goods or services listed under CPV codes specified in the list provided in Paragraph 13, Article 92 of the Law on Public Procurement. It is considered that goods or services pose a threat to national security when:
 - 1) the supplier of goods, its subcontractor, the economic operator whose capacity is relied upon, or the manufacturer and the controlling person thereof, are registered (if the manufacturer or the controlling person is an individual – permanently residing or holding citizenship) in the countries or territories listed in Paragraph 14, Article 92 of the Law on Public Procurement;
 - 2) the provision of services would be carried out from the countries or territories listed in Paragraph 14, Article 92 of the Law on Public Procurement."



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VIII. QUALIFICATION REQUIREMENTS (1)

- ✓ The candidate must be **financially capable** of financing the Project. The total amount of funding, including the Funder's contribution, together with the financial contribution of the Participant must be no less than EUR **205 900 000** (Two hundred five million nine hundred thousand.)



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VIII. QUALIFICATION REQUIREMENTS (2)

- ✓ The Candidate's scope of new construction or reconstruction of **special-purpose** buildings over the past 5 (five) years, or from the date of the Candidate's registration (if the activities have been conducted for less than 5 (five) years) until the deadline for the submission of applications, must be no less than **50,000,000** (fifty million) euros (excluding VAT). The works performed and their final results must be recognized as properly completed.
- ✓ The Candidate's scope of construction or reconstruction of **transportation infrastructure** over the past 5 (five) years, or from the date of the Candidate's registration (if the activities have been conducted for less than 5 (five) years) until the deadline for the submission of applications, must be no less than **19,000,000** (nineteen million) euros (excluding VAT). The works performed and their final results must be recognized as properly completed.



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VIII. QUALIFICATION REQUIREMENTS (3)

- ✓ The Candidate, over the past 5 (five) years or from the date of the Candidate's registration (if the activity has been conducted for less than 5 (five) years) until the deadline for the submission of applications, under one or more contracts, has provided services in **non-residential buildings** and/or non-residential premises **and/or engineering structures**, including technical maintenance of engineering networks and/or systems, and/or cleaning services and waste management, and/or maintenance and cleaning of outdoor areas and green zones, with a total value of no less than **1 860 000** euros (one million eight hundred sixty thousand) (excluding VAT).



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IX. QUALIFYING SELECTION CRITERIA

K1
65
points

- The scope of new construction or reconstruction of special-purpose buildings over the last 5 (five) years until the deadline for the submission of applications

K2
15
points

- The scope of new construction or reconstruction of transportation infrastructure over the last 5 (five) years until the deadline for the submission of applications

K3
20
points

The scope of properly provided services in relation to the maintenance of non-residential buildings and/or premises, and/or engineering structures, and/or engineering networks and/or systems, and/or cleaning of premises and waste management services, and/or the maintenance and cleaning of the territory and green areas over the last five (5) years up to the deadline for submission of applications.



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X. CRITERIA OF FINAL BID ASSESMENT

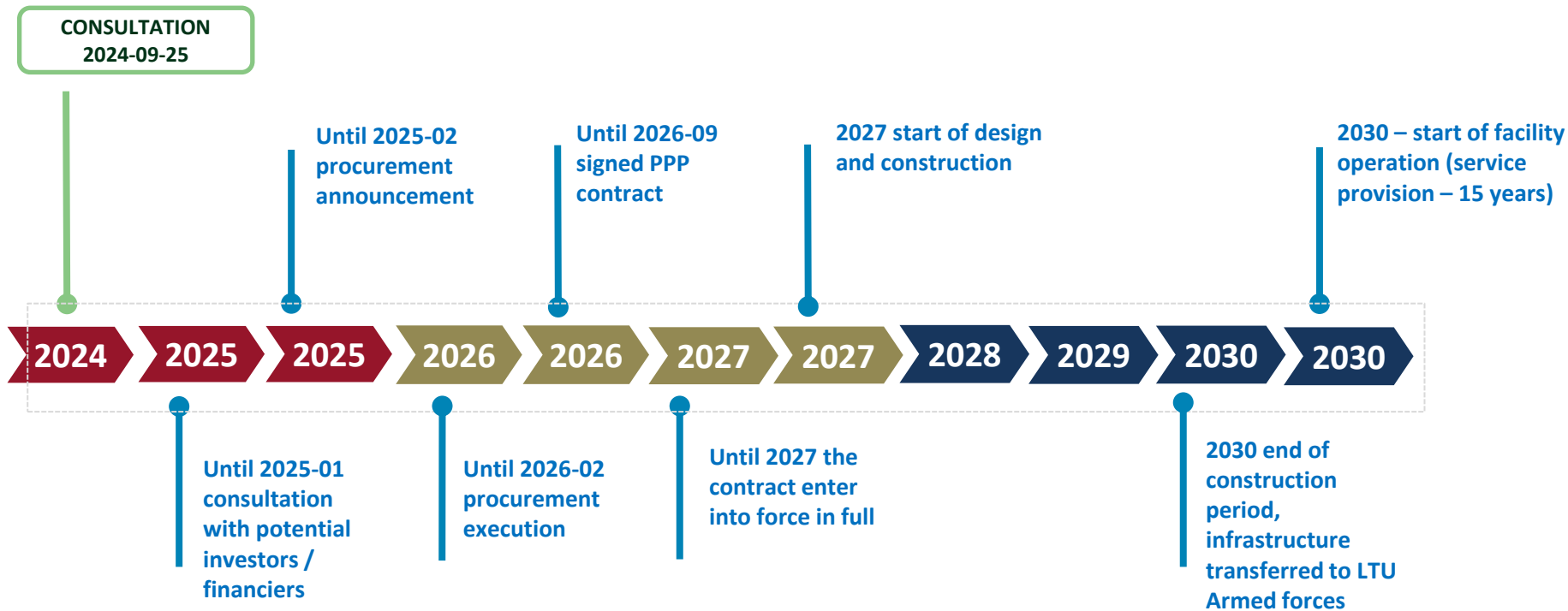
Evaluation criteria		Comparative weight of the criterion parameter
1.	Annual remuneration (throughout the entire term of the Agreement) (C)	A = 70
2.	Object suitability, functionality and quality (T)	B = 20
2.1	Functionality and quality of the territory (K ₁)	
2.2	Functionality and quality of the buildings (K ₂)	
3.	Energy efficiency and sustainability	C = 10
3.1	Secondary water usage in military vehicle wash facilities	
3.2	The installation of solar power systems for equipment needs (excluding use for buildings and premises)	
3.3	The implementation of the BMS covering the entire area (including lighting, water consumption, etc.)	
3.4	Application of environmental protection criteria in accordance with the Order No. D1-508 of the Ministry of Environment	

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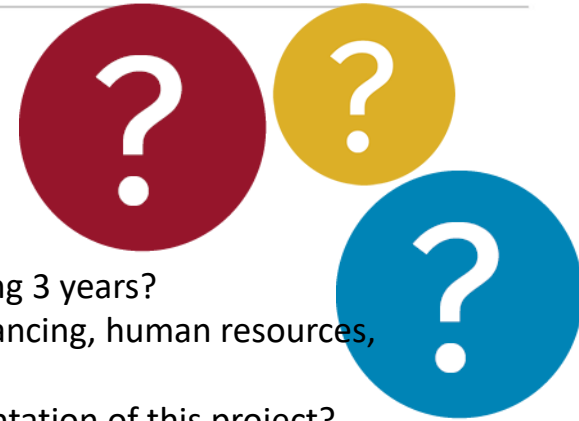
XI. PROJECT IMPLEMENTATION SCHEDULE



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QUESTIONS / ANSWERS



- Is possible that planned military infrastructure will be designed and build during 3 years?
- What do you think are the main challenges and risks (design, construction, financing, human resources, supply of materials and equipment, etc.) for such project?
- Do you plan to unite with other companies (foreign partners) for the implementation of this project?
- What are the possible sources of funding for this project?
- Could obtaining financing for this project (for example a bank loan) to become a challenge?
- What are the main factors that would influence your decision to participate / not participate in this project?
- What tasks should do LTU MOnD to make the process faster and smoother?
- In your opinion, what should be the optimal term of the contract?

Project management contacts:

Ernestas Gaudutis, Mob. +370 (659) 28 743, ernestas.gaudutis@kam.lt