

## Content

Title :	Regulations Governing the Organization of the Selection Committee and the Evaluation for Private Participation in Infrastructure Projects <b>Ch</b>
Date :	2010.11.05
Legislative :	<ol style="list-style-type: none"><li>1. Promulgated by the Public Construction Commission, Executive Yuan, as per Letter, Reference No. (89) -Kung-Cheng-Chi-Tzi-89013511, dated May 24, 2000.</li><li>2. Article 4 was amended by the Public Construction Commission, Executive Yuan, as per Letter, Reference No. (90) -Kung-Cheng-Chi-Tzi-90039321, dated October 17, 2001.</li><li>3. Last amended by the Public Construction Commission, Executive Yuan, as per Letter, Reference No. (94) -Kung-Cheng-Chi-Tzi-09400472260, dated December 23, 2005.</li><li>4. Amended on January 3, 2007</li><li>5. Amended on November 5, 2010</li></ol>
Content :	<p><b>Article 1</b></p> <p>These Regulations are enacted in accordance with Paragraph 3, Article 44 of the Act for Promotion of Private Participation in Infrastructure Projects ("the Act").</p> <p><b>Article 2</b></p> <p>To evaluate applications submitted in response to an infrastructure project for private participation planned by the government, the authority in charge shall, for each project, organize a Selection Committee for the Private Participation in Infrastructure Projects ("the Selection Committee").</p> <p>The Selection Committee shall be established before posting a public notice inviting private participation, and shall be dissolved upon completing the review process and when no relevant affairs are left requiring attention.</p> <p><b>Article 3</b></p> <p>The duties of the Selection Committee are as follows:</p> <ol style="list-style-type: none"><li>1. To prescribe or approve the evaluation items, evaluation criteria and measures of selection;</li><li>2. To conduct a comprehensive evaluation of the applications;</li><li>3. To handle all the matters that should be conducted by the Selection Committee pursuant to Paragraph 1, Article 29 of the Act; and</li><li>4. To assist the authority in charge to interpret matters related to the evaluation items, evaluation criteria and the selection outcomes.</li></ol> <p><b>Article 4</b></p> <p>The Selection Committee shall consist of 7 to 17 members who shall be appointed or retained by the authority in charge and who shall have professional knowledge or experience in fields related to the infrastructure project. At least half of the Selection Committee members shall be outside experts and/or scholars.</p>

The positions mentioned in the preceding paragraph are non-paying positions.

The candidates for the outside experts and/or scholars to be retained in accordance with the first paragraph may be selected from the competent authority's list of recommended candidates. The selected candidates shall be proposed to the head of the authority in charge or his/her deputy for approval. The candidates proposed or approved are not limited to the persons on the list of recommended candidates.

The competent authority shall publish the list of recommended candidates specified in the preceding paragraph on its website.

The outside experts and/or scholars to be retained in accordance with the third paragraph shall be retained by the authority in charge upon their consent.

#### **Article 4-1**

In selecting a Selection Committee member, the authority in charge of the infrastructure project may not:

1. extend a personal favor or accept lobbying.
2. accept self-recommendation.
3. select a person who favors a specific supplier.
4. select a person who has no professional knowledge in fields related to the infrastructure project.
5. select a person whose integrity is questionable.
6. do any other things that are proscribed by the competent authority.

#### **Article 5**

The outside experts and/or scholars specified in the preceding article shall be defined as follows:

1. Where the infrastructure project is conducted by the authority in charge, the outside experts and/or scholars shall be anyone outside the main body of the authority in charge;
2. Where an affiliated entity or institution is authorized by the authority in charge in compliance with Paragraph 2, Article 5 of the Act to conduct the infrastructure project, the outside experts and/or scholars shall be anyone outside the main body of the authority in charge, the authorized entity or institution, or the affiliated entity or institution of the authorized entity;
3. Where another government agency is commissioned by the authority in charge in compliance with Paragraph 3, Article 5 of the Act to conduct the infrastructure project, the outside experts and/or scholars shall be anyone outside the main body of the authority in charge, the commissioned agency and its affiliated entity or institution, or the competent authority of infrastructure.

#### **Article 6**

The member list of the Selection Committee shall not be revealed before the evaluation process unless all members agree unanimously to publish the list in the tender documents.

The list specified in the preceding paragraph shall be revealed after the applicant with the best application ("the best applicant") is selected. The list shall also be revealed if the committee fails to select the best applicant or if the infrastructure project is terminated.

#### **Article 7**

The Selection Committee shall have a chairperson to manage all evaluation matters, and a deputy chairperson to assist the chairperson in handling evaluation matters. Both the chairperson and deputy chairperson shall be appointed by the head of the authority in charge or any person authorized by the head or shall be selected by and among the members.

The Selection Committee meetings shall be called by the chairperson, who will also serve as the chairman of the meeting. If the chairperson is unable to attend the meetings, the deputy chairperson shall act in his/her stead. If both the chairperson and the deputy chairperson are unable to attend, the members present shall select a member to preside over the meeting.

Where the matter specified in Subparagraph 1, Article 3 has an existing precedent or is simple in nature, the authority in charge may be exempted from convening a meeting before posting a public notice for private participation and may adopt a resolution on such matter by obtaining the unanimous written consent of all Selection Committee members instead.

#### **Article 8**

The members of the Selection Committee shall attend the meetings in person. Any meeting of the Selection Committee shall not begin before half or more of the total members are in attendance and at least five members are present. The decision of the Selection Committee meeting requires a simple majority consent among the members present. If the project to be evaluated is a major infrastructure project specified in Paragraph 2, Article 3, the members present shall not be less than seven people.

Among the members attending the meeting as specified in the preceding paragraph, at least half of them shall be outside experts and/or scholars.

At a vote of the meeting, the chairman may demand non-committee personnel to leave, unless the personnel is required to fully participate in accordance with Paragraph 3, Article 13.

#### **Article 9**

Under any of the following circumstances, the member of the Selection Committee shall avoid conflict of interests:

1. Where the application is involved with the interest of the member, the member's spouse, the member's relative by blood or marriage within three generations, or the member's relative who lives and shares assets with the member;
2. Where there is an employment, mandate or agency relationship between the member or the member's spouse and an applicant or the responsible person of the applicant; or
3. Where there are substantial facts indicating that the member may not be impartial in performing his/her duties.

#### **Article 10**

The members of the Selection Committee shall conduct the evaluation-related affairs in accordance with the laws and regulations and with impartiality. The members are forbidden to be involved in any of the following behaviors:

1. Using the membership to solicit commitment or receive bribery, kickback, gift, discount, or other unlawful interests;
2. Accepting banquets, accommodation, transportation, entertainment, tours, sightseeing or other treats for free or on discount in exchange for the member's favor in the evaluation process, unless the accommodation and transportation services are provided by the authority in charge and are

necessary to conduct the member's duty;

3. Leaking confidential information of the evaluation process;
4. Taking advantage of the reviewer-applicant relationship to conduct unlawful affairs;
5. Using the confidential information obtained during evaluation to seek unlawful personal gains;
6. Being retained or commissioned by the applicant during the term of the committee member;
7. Using the reviewer-applicant relationship to request the applicant to offer employment, promotion, transfer or other similar benefits to a specific third person;
8. Taking advantage of the reviewer-applicant relationship to borrow/lend money from/to the applicant or conduct backchannel investment; or
9. Using the reviewer-applicant relationship to conduct or receive illegal requests or lobbying.
10. Being involved in affairs that would have a serious impact to the image of the Selection Committee, or cause the public to recognize the Selection Committee as unable to impartially conduct the affairs and operations regarding the evaluation.

#### **Article 11**

Where a member of the Selection Committee is involved in the behavior specified in Articles 9 or 10, the member should resign voluntarily. If not, the authority in charge shall dismiss the member from the Committee.

Where the total members of the Selection Committee or the number of outside experts and/or scholars is below the minimum as required in Paragraph 1, Article 4, because one or more members lost membership for reasons specified in the preceding paragraph or for any other reason, the authority in charge shall replenish the Committee by appointing one or more new members.

#### **Article 12**

The members of the Selection Committee shall not file a separate application in person or assist any other applicant in filing an application upon receiving relevant documents regarding the application concerned. Any violation to this provision shall invalidate the subject applicant for eligibility for best applicant or the applicant of the second best application ("the second best applicant").

#### **Article 13**

Upon the establishment of the Selection Committee, the authority in charge shall also organize a task force to assist in matters related to the evaluation.

The task force shall have at least a staff of three, who shall be the staff of the authority in charge or professional personnel designated by the head of the authority in charge or the persons authorized by the head of the authority in charge

At any meeting of the Committee, at least one staffer shall attend with full participation.

The staffer shall resign on the occasion involving any of the conditions specified in Articles 9 or 10. If not, the authority in charge shall dismiss the staffer from the task force.

#### **Article 14**

The task force shall, based on the need of evaluation operations, provide

assistance during the process.

The task force shall, pursuant to evaluation items or the matters designated by the Selection Committee, submit its preliminary evaluation comments stating the following particulars along with the materials provided by the applicants to the Committee for reference:

1. Name of the subject project;
2. Name, position and expertise of each task force staffer;
3. Comments on whether the materials regarding evaluation items submitted by the applicant comply with the tender documents; and
4. Comparison of the applicants' qualifications in the evaluation items.

#### **Article 15**

Unless otherwise required for official use or provided for in accordance with relevant laws and regulations, the materials submitted by applicants for evaluation shall be kept confidential by the members of the Selection Committee and personnel participating in the evaluation. The foregoing provision shall also apply where the evaluation is completed.

#### **Article 16**

Evaluation procedure, based on the character of the private participation in infrastructure projects, is divided into two stages: qualification review and comprehensive review.

#### **Article 17**

During the qualification review, the authority in charge shall review the documents submitted by the applicants and select qualified applicants based on the qualification requirements set forth in the tender documents.

If the applicant submits incomplete qualification documents but such applicant is in fact qualified, the authority in charge may notify the applicant to submit the omitted parts within a given time.

During the qualification review specified in the first paragraph, if the authority in charge considers the relevant documents submitted by the applicants to be not in conformity with the procedure or format requirements, or to contain ambiguous information, the authority in charge may inform the applicant to make corrections or clarification within a given time in accordance with the requirements set forth in the tender documents.

Failure to make such corrections or clarification within the time given by the authority in charge, as specified in the preceding two paragraphs, shall render the resubmission, corrections or clarification unacceptable.

The authority in charge shall notify each applicant of the outcome of the qualification review specified in the first paragraph no later than the time a best applicant is selected by the Selection Committee or no best applicant is selected. The authority in charge shall inform the disqualified applicants of reasons for such a decision.

#### **Article 18**

During the comprehensive review, the Selection Committee shall, according to the evaluation items, evaluation criteria and measures of selection specified in the tender documents, select the best applicant based on the investment proposal and relevant documents submitted by the qualified applicants selected from the qualification review as specified in the preceding Article. If necessary, the Selection Committee may select the second best applicant.

During the comprehensive review specified in the preceding paragraph, if the Selection Committee considers the investment proposal and the relevant documents submitted by the applicants to contain ambiguity, the Committee may notify the applicants to make clarification within a given timeframe. Failing to make such clarification within the timeframe shall render the clarification unacceptable.

In the comprehensive review, the financial plan should be listed as a compulsory item for evaluation and be weighted properly.

#### **Article 19**

The authority in charge may, depending on the character of the project, state in the tender documents that the comprehensive review will be conducted in phases or in groups.

If the phase method specified in the preceding paragraph is adopted, the Selection Committee may select no more than three applicants as the nominated applicants based on the investment proposal and relevant documents submitted by the qualified applicants during the comprehensive review. The best applicant shall be selected depending on the royalty offered, government commitment involved or other factors of public interest. If necessary, a second best applicant may be selected.

If the group method is adopted, the authority in charge shall, depending on the character of the project, group the members of the Selection Committee according to their expertise to conduct a group review, then compile the results to conduct a comprehensive review.

#### **Article 20**

If necessary, the authority in charge may state in the tender documents that negotiations may be conducted during the comprehensive review depending on the necessity.

When conducting negotiation during the comprehensive review, as specified in the preceding paragraph, the Selection Committee shall, according to the evaluation criteria prescribed in Article 3, conduct the preliminary review based on the investment proposal and relevant documents submitted by the qualified applicants, and select no more than three applicants as the nominated applicants. The Committee shall then negotiate with the nominated applicants and select the best applicant depending on the investment proposals resubmitted by the nominated applicants. If necessary, the second best applicant may be selected.

The Selection Committee may authorize the task force to conduct the negotiations specified in the preceding paragraph. The task force shall append the results of negotiations to the investment proposal re-submitted by the nominated applicant and submit the documents to the Committee for further review.

#### **Article 21**

Where negotiations are required during the comprehensive review, the Selection Committee shall conduct negotiations in accordance with the following principles:

1. No nominated applicant shall be discriminated against during the negotiation;
2. Where the negotiation involves amendable items specified in the original public notice, all nominated applicants shall be informed of the amendable items in writing;

3. Where the negotiation involves financing, the principal financing institution may participate in the negotiation;
  4. Upon the completion of negotiation, the nominated applicants shall resubmit their investment proposals amended according to the outcome of negotiation within a specified time limit; and
  5. The process and content of the negotiation shall be kept confidential.
- If the nominated applicant fails to resubmit the amended investment proposal within the time limit as specified in Subparagraph 4 of the preceding paragraph, it shall be deemed that the applicant chose not to amend and the Committee shall proceed in the evaluation process with the original investment proposal.

#### **Article 22**

When the Selection Committee conducts negotiation, the following matters shall be noted:

1. The items awaiting negotiation of the nominated applicants shall be listed with the advantages, disadvantages, mistakes or omissions indicated;
2. The negotiation procedure shall be planned;
3. The maximum number of representatives allowed to participate in the negotiation shall be stated;
4. The venue for negotiation shall be carefully selected;
5. Confidentiality measures shall be executed;
6. The nominated applicants shall be negotiated separately;
7. Unless otherwise provided in the tender documents, the application documents of the nominated applicant and the content of evaluation shall not be revealed to other nominated applicants; and
8. The negotiation shall be minuted.

#### **Article 23**

If the investment proposals and relevant documents submitted by the qualified or nominated applicants, selected by the Selection Committee pursuant to Article 18 to 20, are determined in the comprehensive review as being below the evaluation criteria or inconsistent with public interest, the Committee may choose not to select the best and the second best applicant.

#### **Article 24**

Where the evaluation results of the Selection Committee differ distinctly from the preliminary evaluation opinion of the task force, or the evaluation results of different Committee members contradict each other, the chairperson should refer the discrepancies to the Committee for resolution or follow the Committee resolution to conduct a re-evaluation, and the proceedings shall be minuted. If the re-evaluation still carries distinct discrepancies, the Committee shall make the final resolution.

The Selection Committee, pursuant to the preceding paragraph, may make any of the following resolutions:

1. Countermand the preliminary evaluation opinion of the task force for the task force to re-submit;
2. Exclude the evaluation results of individual Committee members and recalculate the evaluation results;
3. Abolish the original evaluation results and produce another set of evaluation results; or
4. Decide not to select the best or the second best applicant.

#### **Article 25**

The outcome of the comprehensive review shall be reported by the task force to the head of the authority in charge or personnel authorized by the head for approval and published on the information network of the competent authority and notification shall be given to the applicants in writing within two weeks of the approval.

The authority in charge shall, based on the outcome of the comprehensive review, conduct the follow-up negotiations, execute the concession agreement and do other relevant matters in conjunction with the best or the second best applicant.

#### **Article 26**

The meetings of the Selection Committee shall take minutes, which shall be signed by all attending members.

The meeting minutes specified in the preceding paragraph shall include the following items:

1. Name of the subject project;
2. Serial number of the meeting;
3. Time of meeting;
4. Venue of meeting;
5. Name of the chairman;
6. Names of members present and absent;
7. Names of observers at the meeting;
8. Names of the recorders of the meeting minutes;
9. Matters reported and subsequent decisions made;
10. Matters discussed and subsequent resolutions adopted;
11. Provisional motions raised and subsequent resolutions adopted; and
12. Other matters that should be recorded in the minutes.

The meeting minutes of the Selection Committee shall be made public after the completion of the comprehensive review process.

The meeting minutes of the Selection Committee and the summary table compiled by the authority in charge following the comprehensive review shall, except those involving trade secrets of individual applicants, be made available such that all applicants may apply for reviewing, transcribing, duplicating or photographing.

Unless otherwise provided by law, comprehensive review comments of the members attending the meeting shall be kept confidential and may not be applied for reviewing, transcribing, duplicating, or photographing.

#### **Article 27**

Where members of the Selection Committee have different opinions on the decision of the meeting, they may request their opinions to be included in or attached to the meeting minutes. The Selection Committee shall not reject such requests.

#### **Article 28**

If the Selection Committee needs to send official documents to external entities, the documents shall be sent in the name of the authority.

#### **Article 29**

These Regulations shall take effect from the date of promulgation.