

Estimation of a range for Administrative and Other Costs for the PPP Arbiter

Date: 2008

Clients: The Office of the PPP Arbiter

Country / Region: UK

CEPA carried out a study to estimate a range for Administrative and Other (A&O) costs for the PPP Arbiter.

Our work formed one component of the Arbiter's Guidance to stakeholders about TubeLines (TLL) likely costs for second 7 and ½ year period of the PPP contract for running the infrastructure linked to the Jubilee, Northern and Piccadilly tube lines.

In making our assessment, a key concept from the PPP contracts was that of a Notional Infraco, which: "carries out its activities in an economic and efficient manner and in accordance with 'Good Industry Practice'.

In particular, we looked at individual cost categories within A&O and judged them according to TLL past performance and external benchmarks. We further cross-checked our analysis against evidence available to us from other OPPPA workstreams.

Links:

- The Office of the PPP Arbiter