



The Concept of Probity in PPPs

**Orientation Forum for PDMF PPP Panels
PPP Center - 26 May 2016**

What is Probity?



- The term Probity means integrity, uprightness and honesty.
- In PPP procurement, probity entails the “manifestation” or evidence of ethical and fair behavior during the bidding process.

Why is Probity necessary?



- Dealing with probity issues early in the procurement process:
 - Generates confidence in the private sector as to the integrity of the bidding process;
 - Promotes accountability and transparency in the bid process and enhances competition;
 - Minimizes costly challenges in the future

Types of Probity Services



- Probity Advisor – provides opinion and ongoing advice on fairness and integrity issues during the procurement process. (Recommended).
- Probity Auditor – usually a firm that conducts “post-mortem” audit to determine the “fairness” of the procurement process.

Specific Responsibilities of the Probity Advisor



1. **Prepares** a probity plan for the bidding
2. **Reviews** the bidding process to ensure it's impartial and fair.
3. **Participates** as observer in:
 - A. internal meetings of the IA and PBAC / TWG
 - B. external meetings of the IA with bidders.
4. **Reviews** draft ITPB and ITB tender documents to ensure completeness and consistency.
5. **Raises** concerns to the IA on possible probity issues.
6. **Issues** an Independent opinion on the integrity of the procurement process at each bidding stage.

Some Examples of Possible Probity Issues that Could be Addressed



- Conflicts of interest
- Change in evaluation criteria midstream or working around ill-prepared out criteria
- Proper interpretation of ITPB documents
- Inadvertently changing the basis of selection or introducing new criteria in the selection process
- Not properly briefing evaluation panel members prior to evaluation
- Adjusting scores on the basis of tender responses
- Inadequate de-briefing of unsuccessful bidders

Is Probity Recommended for all PPP Projects?



- No, only for large, complex projects where potential bid issues are likely to arise.

Cost of Probity & Countries Using It



- Countries That Use Probity: Countries that offer Probity Services
 - Australia
 - New Zealand
 - Canada (Fairness Monitors)
 - South Africa
 - Singapore
 - Canada
- * From “Probity Advisors: Fairness Commandos or Simply Sign-Offs, by John Hilvert 23 May 2011

Examples of International PPP Projects where Probity Services Were Used



- Partnership Victoria Correctional Facility (RSM Bird Cameron – Victoria Australia)
- Water Plan PPP in S.E. Australia (PSI – Asia Pacific, Melbourne Australia)
- East-Link PPP Project and Victoria Comprehensive Cancer Center PPP (Pitcher Partners, Melbourne)
- Various infrastructure projects in N. Zealand (McHale Group, New Zealand)





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