

# PROJECT MANAGEMENT

## Project Management

*International*

### Lagos – Ibadan Expressway, Nigeria

Client: Bi-Courtney Highway Services  
Location: Lagos, Nigeria  
Period: October 2011 – current

#### Lagos – Ibadan Expressway Concession

Bi-Courtney Highway Services have engaged the services of PMI to re-structure its concession for the Lagos-Ibadan Expressway.

The recent involvement of Group Five and Rand Merchant Bank of South Africa as advisers and potential investors has sparked a process to make the concession bankable.

#### The Concession

In 2009 Bi-Courtney Highway Services Ltd. (BCHS), had been awarded the 25 year concession to rehabilitate and operate the Lagos-Ibadan Expressway by the Federal Ministry of Works of Nigeria (FmoW).

The Bi-Courtney Group is also known for building and operating the local Murtala Mohammed Airport 2, in Lagos Nigeria. In 2003, the award of this concession to Bi-Courtney Aviation Services Ltd. marked the first major Build Operate Transfer (BOT) project in Nigeria. Since then it has been the only successful concession in Nigeria in recent history.

Since the award of the concession for the Lagos-Ibadan Expressway in 2009, Bi-Courtney Highway Services have operated the expressway and



have engaged local consultants to undertake the design for its rehabilitation and conduct an EIA.

Bi-Courtney has maintained and operated its concession under the given circumstance that it has never been able to generate any revenue from its concession to date.

The terms of the concession agreement between BCHS and FMoW are unfavourable to the Concessionnaire, which has prevented BCHS from attracting the required foreign investment.

#### Project Structuring & Management

PMI has been hired to manage a multi-disciplinary team consisting of members of Bi-Courtney, Group Five,

and Rand Merchant Bank, with technical support from Vela/VKE of South Africa.

The goal of this team is to reach financial close of the concession project within 6 to 9 months.

The way to financial close entails design review, review of Design and Construction cost and review of Operation and Maintenance cost, in order to build a financial model.

The required legal framework which will allow the concession to function properly is to be developed, taking into account proper risk allocation, the Nigerian legal context as well as lender's termsheets and conditions precedent such as Equator Principle Compliance.