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Tuesday, June 27, 2023

Rt Hon. Mudashiru Obasa
Speaker,
Through: Hon Lukman Olumoh
Chairman, Adhoc Committee on Public
Private Partnerships (PPPs)
Lagos State House of Assembly
Alausa, Ikeja

Dear Mr. Speaker,

RE: SUSTAINABLE TRANSPORT INITIATIVE BETWEEN LASG AND OANDO CLEAN ENERGY

Thank you for convening yesterday's meeting with the Ad hoc Committee on PPPs, LAMATA, the Transport Ministry and the PPP Office and for facilitating a constructive atmosphere for our discussions.

The following representations were made by the relevant agencies at the meeting:

1. There is no PPP currently in place on this initiative, notwithstanding any communication by any of the parties to the transaction that may have alluded to or created the impression of such.
2. The MOU that has been signed is a non-binding MOU. No binding commitments have been made by LASG, and no procurement expenditures have been incurred, contracted or paid by LASG in respect of the MOU.
3. The current phase of this initiative is a proof of concept phase which builds on the outcome of an earlier independent feasibility study.
4. Oando approached LASG and was appointed, through a non-competitive process, to carry out this phase of the initiative.
5. Oando is voluntarily incurring all the costs of funding the buses needed for the proof of concept phase, together with charging infrastructure and related equipment, at no cost or obligation to LASG, and with no assurances given to Oando that they will be appointed or engaged by LASG to participate in subsequent phases of this project.

While noting these representations, I reiterate my submissions at the meeting that the Committee, in its further deliberations on this matter, and pursuant to its oversight mandate, should:

1. Obtain and review the MOU if it has not done so already, in view of some of the seemingly conflicting impressions created by the earlier statements of the different parties to the transaction. In the circumstances, you may also consider encouraging public disclosure of the MOU.
2. Ascertain the rationale for appointing Oando, and why a competitive process was not employed to select a provider for the proof-of-concept phase, given the stated importance, potential scale and likely impact of this initiative.
3. Examine how having Oando fund and perform the proof-of-concept phase, solely at its own expense, may affect LASG's ability to reach objective and independent conclusions and decisions. This is especially in view of Oando's clearly stated business aspirations and commitment to the rollout of electric buses in large numbers.
4. Require and foster improved clarity and communication around how LASG defines or designates which projects or activities are deemed PPPs. This will help ensure that transactions that are PPPs in substance, will always be so designated and subjected to the appropriate processes to secure the public interest.

I thank you and wish you successful deliberations.

Yours faithfully



Funso Doherty