

## 40. Challenging Case: Bocaue Public Market, Bocaue, Bulacan, Philippines



Photo Credit<sup>87</sup>

### Background

As part of its broader development plan, the municipality of Bocaue in Bulacan decided to pursue the delivery of a public market through a PPP.

### Project Structure

The project consisted of two parts: (1) the public market, with an investment cost of around USD 1.2 million; and (2) a commercial center, with an investment cost of around USD 3.8 million. It was intended that the revenue generated from the commercial center would be sufficient to subsidize the lower-cost tenants of the public market.

The municipal government received assistance from the United States Agency for International Development (USAID)-funded Build-Operate-Transfer (BOT) III Project to prepare the tender documents, conduct the bidding, and finalize the contract. After a competitive bidding process, the municipality entered into a build-transfer contract with Meditech on 24 March 1998 to complete the first part of the project, the public market.

Construction of the public market began in November 1998 and was completed in July 1999. However, the project struggled to attract local vendors to occupy the new market building. In particular, prospective vendors expressed concerns over:

- i. Rental fees;
- ii. The size of the stall spaces, particularly in the wet market;
- iii. Inadequate ventilation inside the building, resulting in high temperatures; and
- iv. The structural integrity of the building.

In light of these issues, the municipality and Meditech were discouraged from pursuing the project's second phase, construction of the commercial center.

### Lessons Learned

This project highlights the importance of engaging with stakeholders as early as possible in the project development process, to generate support for the project and understand the needs of prospective users, including with regard to pricing and service delivery standards. In this case, a lack of engagement with the prospective tenants during the project development process reportedly contributed to a number of misconceptions and objections by the prospective tenants after the market was completed.<sup>88</sup>

<sup>87</sup> Ramon FVelasquez ([https://commons.wikimedia.org/wiki/File:Bocaue\\_Public\\_Market\\_in\\_Bulacan.jpg](https://commons.wikimedia.org/wiki/File:Bocaue_Public_Market_in_Bulacan.jpg)), „Bocaue Public Market in Bulacan“, <https://creativecommons.org/licenses/by-sa/3.0/legalcode>

<sup>88</sup> ADB. *Philippines: Public-Private Partnerships by Local Government Units*. Manila: ADB, 2016. Accessed June 24, 2019. <https://think-asia.org/bitstream/handle/11540/6806/philippines-ppp-1gus.pdf?sequence=1>.