

Construction companies bring in outsider Rebel to win infrastructure contracts

Arend Claahsen, Het Financieele Dagblad, 10th of May 2018 (translated from Dutch)

Two large infrastructure project wins in a month when some contractors did not get any in the whole of last year, that is what the financial advisors of Rebel achieved in the month of March. Both the reinforcement of the “Afsluitdijk” and the extension of the A16 highway north of Rotterdam went to the parties assisted by Rebel.



Artist Impression of how the reinforced “Afsluitdijk” will soon look like. Source: Rijkswaterstaat

What is striking is that Rebel is also a co-shareholder in the financial consortia backing both projects. But why would construction companies and institutional investors make room for a relative outsider? The reason is simple: with Rebel on board, contractors seem to increase their odds of winning projects. Out of the

seven tenders where Rebel acted as both advisor and potential shareholder, it lost only two and won the other five.

We are talking serious money here. For both the dike and the extension of the A16, including the land tunnel under the “Bergse Bos”, the contract value is almost €1 billion. Rebel supported BAM, Van Oord, PGGM and Aberdeen Standard Investments for the “Afsluitdijk” and will invest 8% of the equity. For the A16 the leading parties are Besix, Dura Vermeer, Van Oord, TBI Holdings and John Laing and Rebel will invest 12.5% of the equity.

Influence and credibility



Jeroen in 't Veld Photo: Rebel

Rebel is a fifteen-year old, relatively small advisory and investment firm of approximately 170 employees. “We had already been involved in an entire tender process on several occasions, but if you do not participate financially you will ultimately have no influence on the decision-making process”, says Jeroen in 't Veld, one of Rebel’s founders, about taking the next step as an investor in large construction projects. “In addition you gain credibility if you are willing to commit to a project for 25 years.”

The tenders are so-called DBFM projects. In these projects the government transfers the responsibility for the design, construction, financing and maintenance to the private sector. Effectively the contractor pre-finances the construction costs and is only paid in instalments after delivery. For the pre-financing, contractors look for co-investors. Construction and maintenance risks remain the responsibility of the contractors. The contractors, like the co-investors, are assured of a stable return after completion of the project through their share in the financial vehicle. This is usually a return of 7% to 12% per annum.

5 out of 7

Since 2014 Rebel has been part of the consortia for the construction of the Limmel canal lock, the construction of the third Beatrix sluice near Nieuwegein, the widening of the A6 highway at Almere, and now the reinforcement of the “Afsluitdijk” and the extension of the A16 highway. Only the tenders for the expansion of the Eefde lock and the widening of the A27/A1 highways were lost.

Retained profit



Wout Korving Photo: Rebel

According to Wout Korving, another one of the ten Rebel founders and one of the persons involved in the A16 project, participation is easier said than done.

“We wanted to use external financing, but it turned out to be too complicated in the summer of 2011 because of the crisis. Therefore we had to free up some money ourselves by retaining profit from other business.”

Ronald Schinagl, Director for the Netherlands at Van Oord, worked closely with Rebel on the tendering of both the “Afsluitdijk” and the A16. He calls Rebel a company with a “fresh approach”. Beyond the financial contribution, “Rebel brings skills that technically-oriented contractors sometimes lack. They challenge you to look at problems differently, for instance in the areas of sustainability and managing public disruptions”.

According to in 't Veld, Rebel takes the role of the little brother in the consortia. He emphasises that as advisor Rebel certainly does not intend to compete with the engineering and industrial knowledge of BAM and van Oord or with the technical expertise of engineering firms. “But we are convinced that we can complement and add value”, says Korving.

Autonomous ventures

After its inception in 2002 it took several years before Rebel grew from ten to eleven people. Now there are around 170 of them. In the last four years, the number of employees has doubled. Everyone gets the opportunity to become a shareholder and most employees use it.

There are no formal functions or titles at Rebel. According to in 't Veld the teams work in largely autonomous and self-reliant ventures. “However they also seek contact with each other when acquiring new assignments and occasionally when forming a new venture”, says Korving.

From its inception, Rebel's field of work has expanded from transport to urban development, sustainability, health and socio-strategic advice. Within the core areas, activities seemingly shoot off in all directions. For example, with BEAT Cycling Club a new and innovative professional cycling team was set up. Rebel also provided financial advice and designed the actual financing structure for the construction of the €200 million Princess Máxima Centre for Pediatric Oncology.



Impression of the side of the “Afsluitdijk”; the selected design incorporates a layer of pivoting concrete blocks with an open structure which can break the heaviest waves. This solution is cheaper than the traditional thick layers of stones and is patented by BAM and Van Oord. Source: Rijkswaterstaat

This added value is for example in the ability to successfully translate the priorities of the client into the bid. In 't Veld says: “We understand quite well, I think, what the client has in mind.” This is confirmed by Schinagl from Van Oord: “In the tender for the reinforcement of the “Afsluitdijk”, between our bid and the number two, there was a tiny price difference of €5 million in the calculation. In those cases you cannot let anything slip in terms of price or quality. Rebel brainstormed with us and we made an assessment of how we would score on quality, which was very accurate.”

That Rebel also wanted to participate in the project beyond the more classical role of an advisor was not a problem according to Schinagl. “That is a price we are happy to pay.” Belgian contractor Besix, which is collaborating with Rebel on four projects, confirms the same. “We have a better chance of being successful together”, says Jan Van Steirteghem, Director for Engineering at Besix. With Rebel, Besix won four of their six joint tenders. That is a ratio of 2 to 3, where normally at Besix it is about 1 to 4, according to Van Steirteghem.

Van Steirteghem speaks of sincere trust between the two parties. “That is unique in the construction world, where mistrust actually occurs at all levels.”

For the financing, Rebel now partners with Participatie-Maatschappij Vlaanderen (PMV), the investment company of the Flemish government. After having financed the first three projects on their own, Rebel looked for a partner to be able to participate in new and larger projects such as the “Afsluitdijk” and the A16. Together with PMV it set up an investment fund, EPICo (European Projects Investment Company), for that purpose. Investors such as pension funds may still join in the course of this year. EPICo aims to step also into smaller projects, a category that large asset managers usually ignore.

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Better living environment

The ten founders of Rebel used to be the Financial Advisory Department of the Dutch Economic Institute in Rotterdam (now Ecorys). When the group could not start as an entrepreneur within that organisation, they set up their own company. They immediately focused on the public-private partnership models which were spreading out of the United Kingdom.

In the beginning Rebel assisted public authorities like the province of Noord-Brabant for the tendering of the A59 highway and Rijkswaterstaat for the tendering of the N31 national road in Friesland. From 2005 onwards Rebel also provided market participants with financial and economic advice in the context of public tenders. Since 2013 Rebel has also been participating as shareholder and recently through infrastructure fund EPICo. Wout Korving says: “We have continually tried to expand the number of areas where we can make an impact on a transaction.” According to him this is not only financially driven but also stems from the desire to make a contribution to society and create a better living environment. “Thirty years ago our employees would have been all working with government.”