

The new Algarve Central Hospital: Key terms of the PPP

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A public procurement procedure is currently underway for the design, construction and operation of the new Algarve Central Hospital, one of the most significant health infrastructure projects currently being developed in Portugal.

The project will be implemented through a public-private partnership model, covering the design, financing, construction, maintenance and operation of the hospital infrastructure, while the provision of health care services will remain under public management.

The base investment amounts to approximately €426 million, and a 30-year concession is envisaged. The hospital will be in Parque das Cidades, on the Faro/Loulé axis, and is intended to serve an estimated resident population of around 297,000 people.


The private partner will be responsible for carrying out the works as well as for the full management of non-clinical services and will also be required to ensure all phases associated with delivering the hospital infrastructure. The complex is expected to include, among other elements, at least 742 inpatient beds, specialised care units, diagnostic, surgical and outpatient areas, as well as technical infrastructure, parking and a helipad.

The tender will unfold in several stages, including the submission and evaluation of proposals, a negotiation phase with shortlisted candidates, and the subsequent submission of final binding offers, culminating in the award decision. The award will be made based on the most economically advantageous proposal, considering quality and price criteria.

The successful bidder must incorporate a Portuguese public limited company (sociedade anónima) with registered office in Portugal, solely dedicated to implementing the project, with a minimum share capital of one million euros. This exclusivity of corporate purpose must remain in place for the entire term of the contract. The concessionaire will also be responsible for obtaining all necessary licences, authorisations and certifications.

During the operating phase, the concessionaire will be responsible for maintaining and operating the hospital infrastructure, including repair, replacement, upgrading and adaptation works, in order to ensure the complex's continuous functionality and prevent obsolescence, allocating for this purpose the appropriate human, technical and financial resources.

The concessionaire's remuneration will take the form of an annual payment for the availability of the infrastructure and compliance with contractual obligations, comprising a fixed and a variable component, subject to adjustments based on performance levels.



Payments will be made monthly, with an annual true-up, considering factors such as inflation and the penalty mechanisms provided for.

The project will be financed in full by the concessionaire company, without additional guarantees or financial commitments from the public authority, other than the contractually provided payments. The concessionaire will bear all financial risks, including refinancing risks and changes in market conditions, and the relevant contracts will be subject to prior review by the awarding authority.

The deadline for the submission of proposals is 24 August 2026.

Thinking about tomorrow? Let's talk today.



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