

Construction Industry Round Table

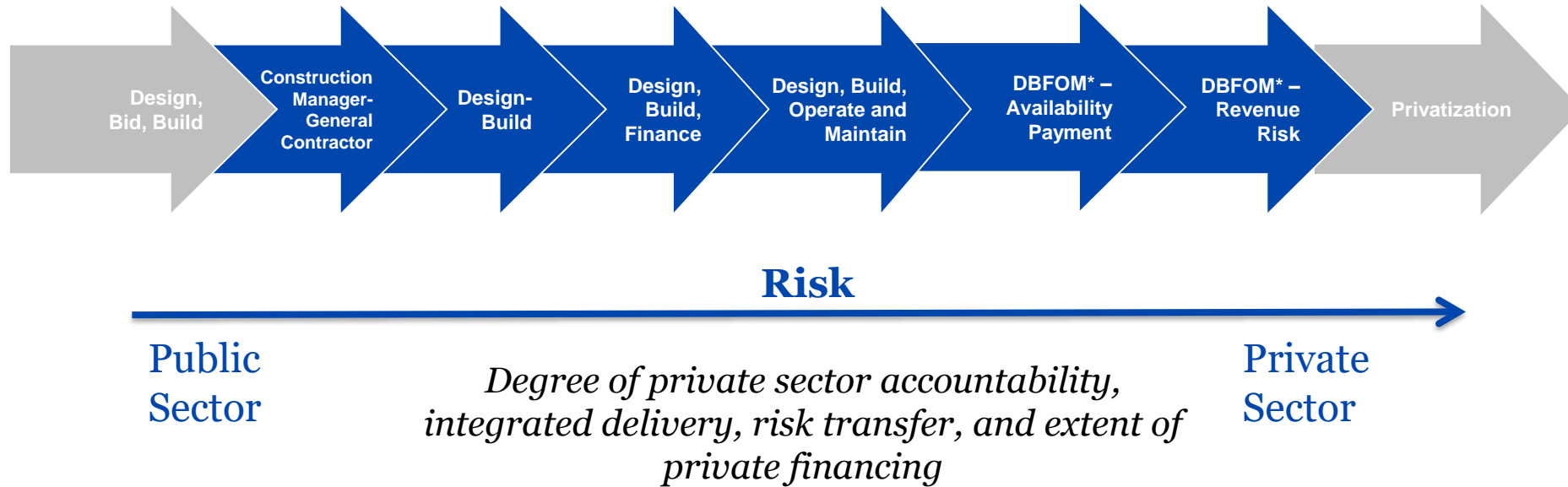
P3 Overview

William A Marino
Chairman

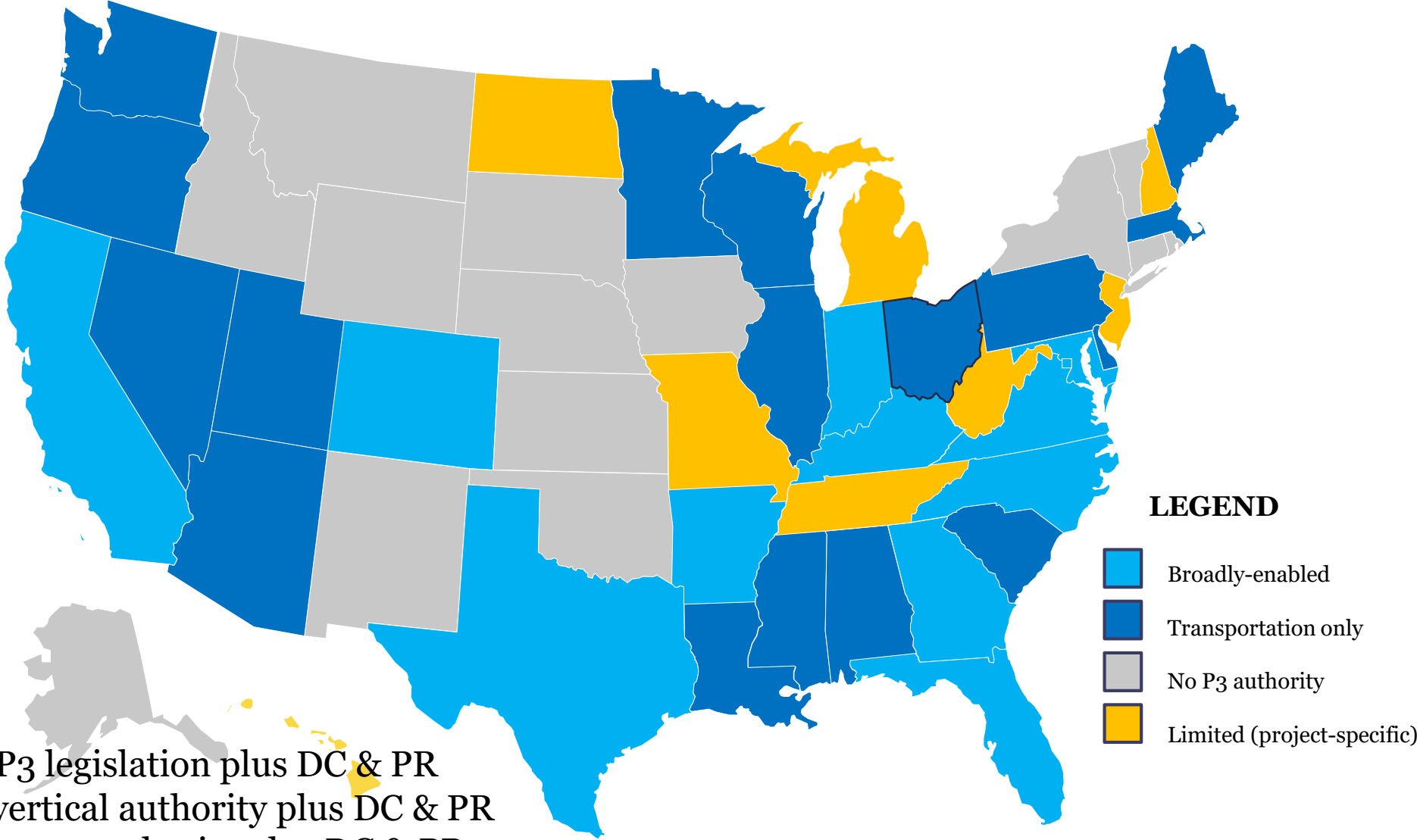


STAR AMERICA

Delivery Options for Infrastructure Delivery



Status of P3-Enabled States | As of April 2017

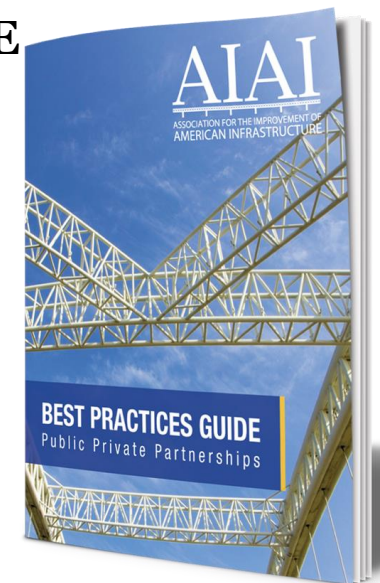


- 35 states have P3 legislation plus DC & PR
- 13 states have vertical authority plus DC & PR
- 12 states have water authority plus DC & PR

Identifying a P3

A P3 IS:

- **DESIGN AND CONSTRUCTION, FINANCING, OPERATIONS AND MAINTENANCE PARTNERSHIP**
Public Sector enters into a long-term contract with private sector to deliver assets and services for the benefit of the general public
- **A RISK SHARING APPROACH**
Private sector assumes financial, technical and operational risk, public sector sets policy and retains ownership
- **LIFECYCLE PROCUREMENT APPROACH THAT GUARANTEES PERFORMANCE**
By integrating design, construction, and financing, with operations and maintenance, the asset performance is optimized for the long term
- **A TRANSPARENT RELATIONSHIP**
Public stakeholders have full control and can expect to be regularly updated and informed throughout the project



A P3 IS NOT:

- **PRIVATIZATION**

Public sector retains ownership and ultimate control of public asset

- **A FUNDING SOLUTION**

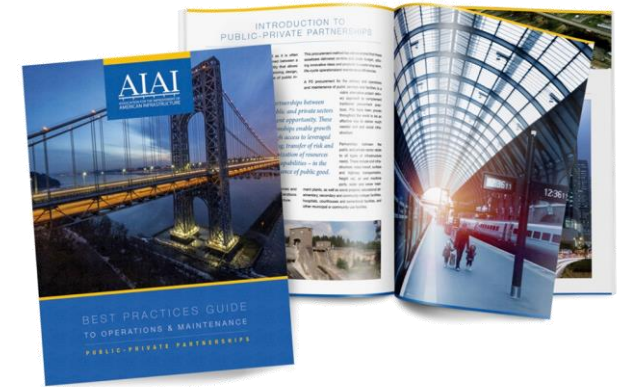
Government agency gains access to private debt and equity financing which may not be available in regular public procurement, but project must still be creditworthy for debt and equity investors

- **A LOW QUALITY DELIVERY MODEL**

Private entity enters into a performance-based contract with financial penalties imposed by the public agency if availability and quality standards are not met

- **THE RIGHT SOLUTION FOR EVERY PROJECT**

A Value-for-Money analysis is performed by experienced legal, technical and financial advisors to determine if a P3 is right for your project



 SCHEDULE DISCIPLINE

 GREATER BUDGET
CERTAINTY

 COST SAVINGS

 GREATER INNOVATION

 LIFE-CYCLE
MAINTENANCE

 ACCELERATED DELIVERY

 PUBLIC OWNERSHIP & CONTROL

 EFFECTIVE RISK TRANSFER

 JOB CREATION

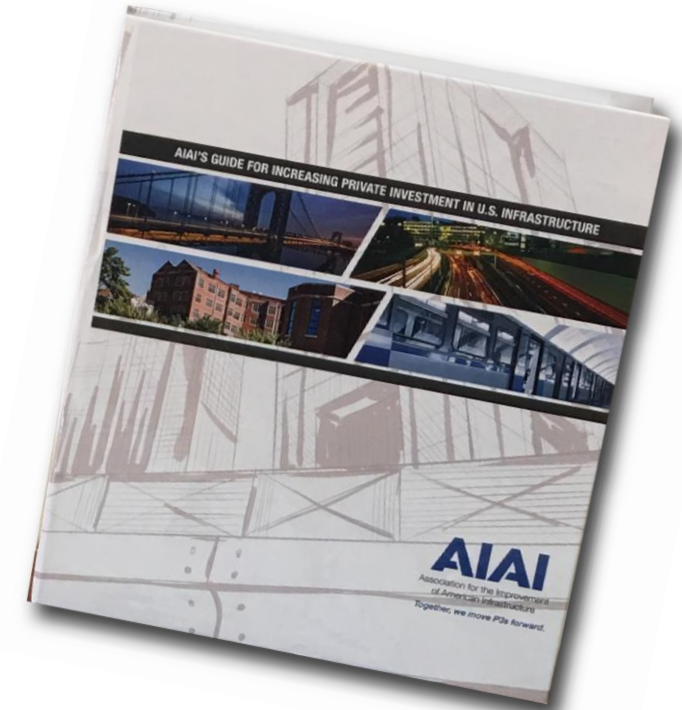
 PAYMENT FOR PERFORMANCE /
ACCOUNTABILITY

- Committed Political Champion(s)
- Legislation authority and strong regulatory framework
- Critical need for a public facility to be delivered on an accelerated basis
- Agency acceptance of Value for Money/Risk Transfer methodologies
- Credible Analysis of Delivery Options
- Organized, Fair and Transparent Procurement Processes
- Key Stakeholder support and alignment



Recommendations

- I. Streamline and Expedite Environmental Review Process
- II. Provide Federal Incentives for States to Adopt the P3 Model
- III. Reform Federal Budget Scoring Rules
- IV. Remove Statutory Barriers on Private Activity Bond Financing Programs
- V. Expand Support for Existing Federal Funding and Loan Programs

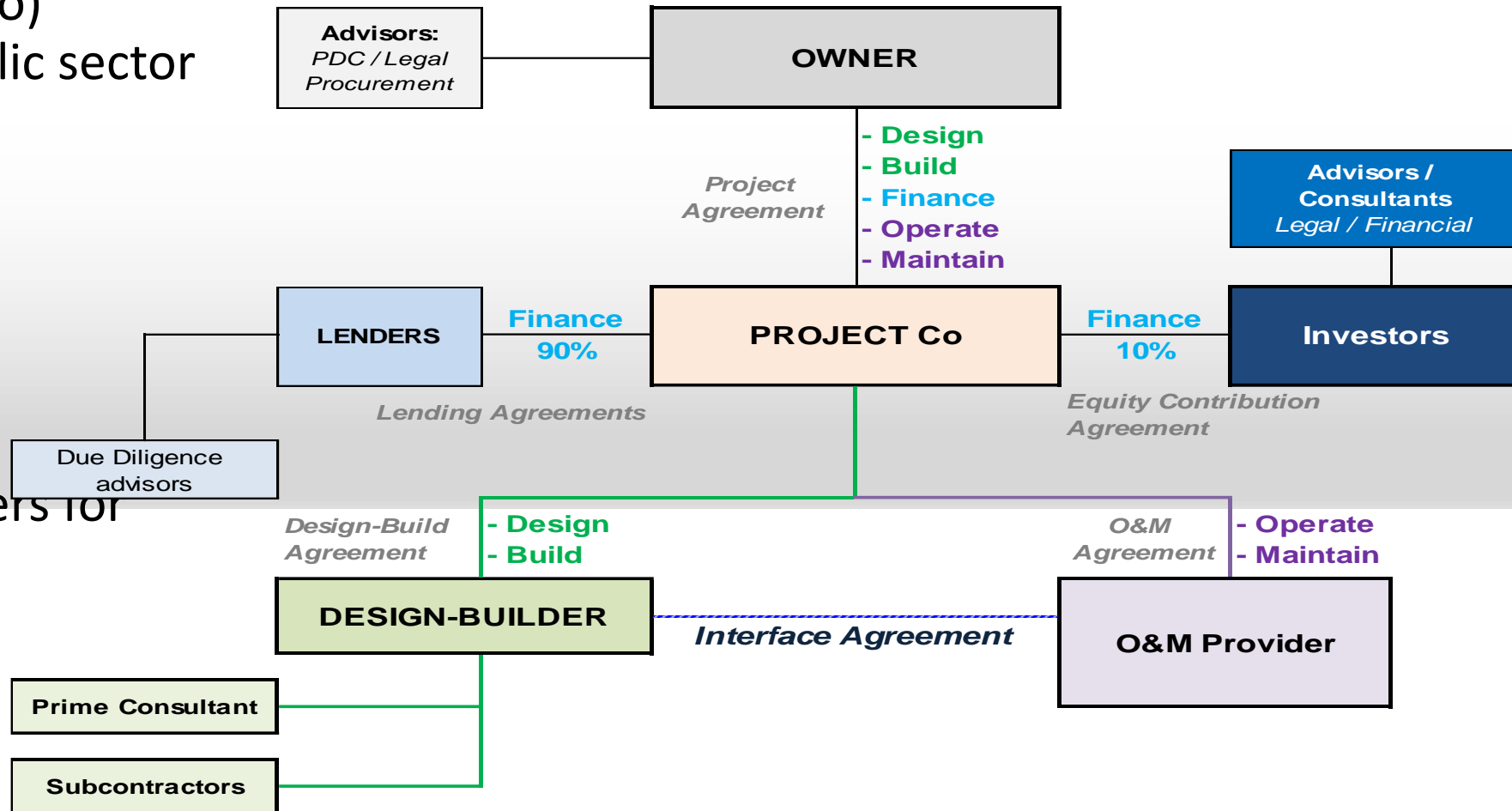




WHAT PRECISELY IS A P3? - 3/3



- ▶ Single entity (Project Co) contracts with the public sector entity, and in turn...



- ▶ ...contracts with partners for Design-Build and O&M obligations