

PUBLIC/PRIVATE PARTNERSHIPS

new initiatives for addressing mobility

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Is a public-private partnership (P3) the right fit for the state Department of Transportation's (DOT) next project? Consensus from a panel of industry experts and its moderator emphasizes reversing the question and asking first and foremost: is this project truly a good candidate for a public-private partnership?

Without that focus, a best-intentioned approach to project delivery may miss the mark. Identifying risks inherent in project development and delivery, along with operation and maintenance when the improvement is in place, is the key issue. That evaluation means taking a hard look at the project from every angle, asking the "what if" questions, and then preparing an estimate for transfer of risk. Making decisions about who assumes those risks builds a public-private partnership.

P3s are somewhat new in the United States and no real database for "risk" exists yet. As an innovative approach

to delivering projects, public-private partnerships have seen success because, very typically, they finish jobs early or on-time. P3s must be built now on assumptions, but with more jobs in production, detailed post-project analysis can develop a solid database for "risk."

Questions and research always will guide decisions in every partnership opportunity. As basic as it seems, asking "what will it cost us to do the project" and "what will it cost them to do the job" can point potential partners in the right direction and shape strong P3s. A cost-benefit perspective can help, as well.

How to assess and price "risk?" Is the "liability" of design, for example, the significant issue or does "quality time" make sense determining "value for money?" The panel, moderator and audience dug into the questions. Innovation is now. P3s have arrived.

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