

CPARB Public-Private Partnership Committee Update

CPARB Pre-Reads for May 11th, 2017

I. P3 COMMITTEE SUMMARY

- Representatives of public owners (Ports, WSDOT, Sound Transit, Counties, City), contractors, trades/labor, academia, including CPARB and PRC members.
- Series of meetings and exchanges from early 2015 to present. Discussed suitability of existing law (Transportation Innovative Partnerships, RCW 47.29), demand and opportunity for P3 in Washington, challenges and drawbacks, lessons learned from other jurisdictions. Consensus: propose new enabling legislation.
- Multiple drafts of legislation from June 2015 to reach consensus for final presentation to CPARB in May 2016.
- Provided P3 Updates to CPARB on September 8, 2016 and February 9th; the last P3 Committee Meeting was held March 14, 2017 in advance of the May 11th CPARB Meeting.

II. KEY FEATURES OF COMMITTEE DRAFT LEGISLATION

Purpose: Provide public owners an efficient vehicle to deliver public works where P3 principles—consolidated design, build, finance, operate, and/or maintain—provide public benefit.

Goals: Provide owners flexibility to maximize public value across a wide spectrum of potential projects. Balance owner flexibility with safeguards for competition, value for money, high labor standards, and opportunities for participation by disadvantaged and underrepresented business groups.

What the Proposed P3 Legislation IS: A flexible, competitive, public procurement and delivery process that consolidates elements of project design, construction, operations, maintenance, and/or financing by private entities, allowing public owners to efficiently utilize specialized private sector expertise and resources, provide performance-based incentives and compensation to maximize value, and allocate risk on projects with a long-term operating component.

What the Proposed P3 Legislation is NOT: A toll road statute. Limited to “megaprojects.” Limited to heavy civil projects. A limit on any existing public contracting methods.

III. PARTICULAR TERMS INCLUDED

P3 Definition: Contract that relates to development, financing, maintenance, and/or operation. May implement Design-Build-Operate-Maintain, Design-Build-Finance, or Design-Build-Finance-Operate-Maintain, or other delivery method.

Procurement: Competitive, structured, RFQ-RFP or RFP process.

Ownership: Any property involved reverts to the public body after the contract term.

Financing: Owner may combine public and private financing and funding sources.

Labor Standards: P3 projects are public works, subject to payment bonds, prevailing wages, and mandatory plans for labor harmony.

Equity: Owner shall designate standards for outreach to small, disadvantaged, veteran-owned, minority and women owned, and other underutilized businesses.

Review: Approval from proposed new PRC subcommittee with expertise specific to P3.