



P3 Conference Overview

P3 Primer

A procurement model that uses an integrated & life cycle approach to delivering a public good or service incorporating design, construction, financing, operations and maintenance functions into one contract.

- P3s are not free money.
- They allow private capital to jump start and help finance projects
- While keeping ownership of the facility with the government

P3 Primer

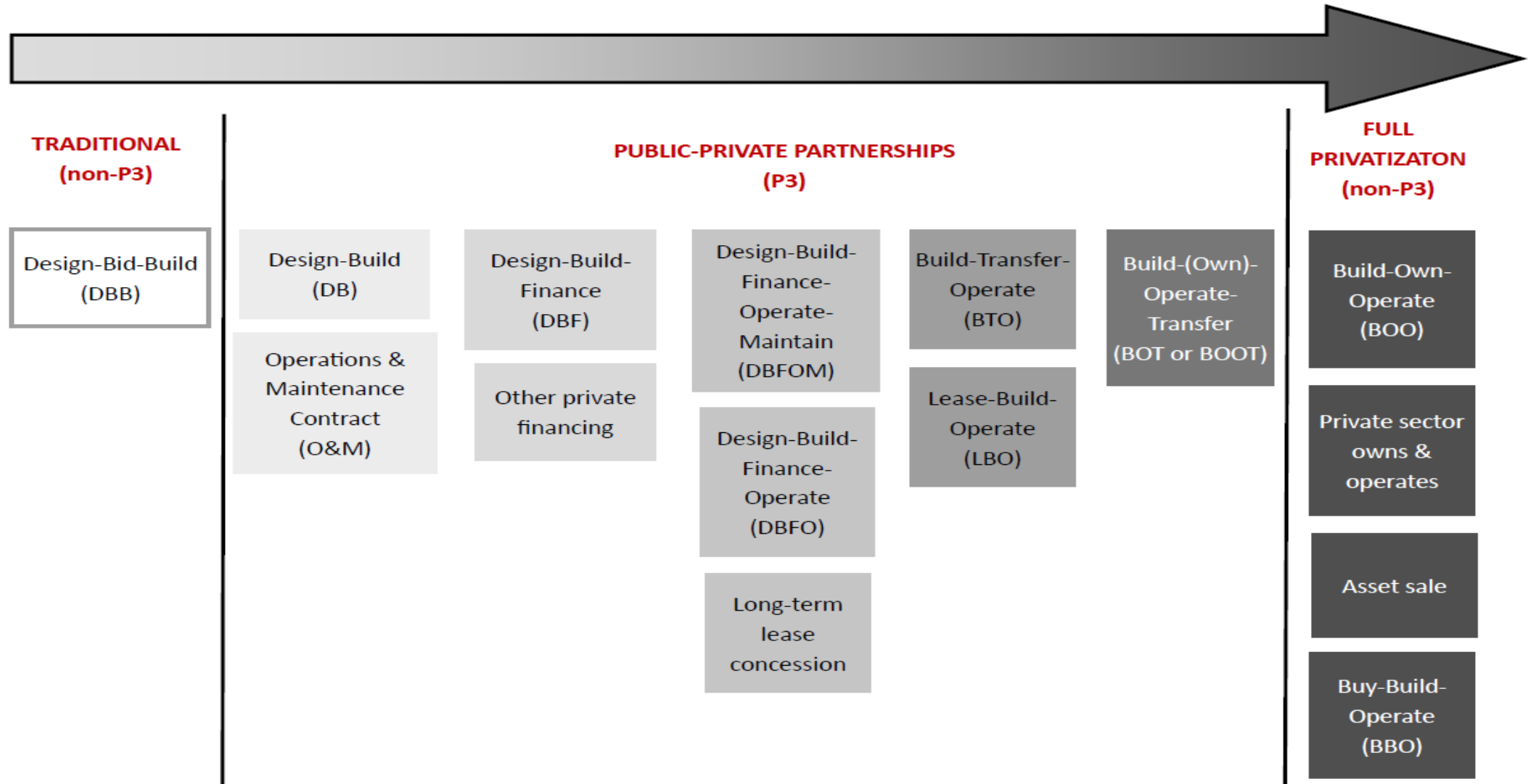
A P3 IS:

- **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.
- **Transparent relationship:** Public stakeholders have full control and can expect to be regularly informed throughout project

A P3 IS NOT:

- **Privatization:** Public sector retains ownership and ultimate control of public asset
- **A funding solution:** Government agency pays for the project through the ability to leverage private financing not otherwise available through regular public procurement.
- **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 the project we are seeking.

P3 Primer



P3 Early Stage Considerations

1. Understand why we want to do the project

Goal

To increase downtown and County Administrative Center land availability for housing and mixed use development through the consolidation of government services into denser, more potent land use, thus providing streamlined access to services.

Objective

To opportunistically use downtown City land for housing and mixed use development resulting from the need to replace and consolidate City administrative buildings and services, which in turn stabilizes costs and resiliency over time.

P3 Early Stage Considerations

2. Assessing Feasibility

- Figure out how will pay for project up front
- Ensure project is best suited for P3
- Ensure clear decision making process and evaluation process
- Identify:
 - Appropriate steps
 - Budget
 - Legal parameters

P3 Early Stage Considerations

3. Where will funding come from?

- Revenue generation from facility
- TIF
- Grants
- Loans
- Bonds
- Lease payouts
- Tax/energy/operations savings

P3 Early Stage Considerations

4. Clearly Outline Procurement Plan

- Focus on qualifications and experience over price
- Maximize performance-based requirements, and
- Minimize specific design requirements

P3 Early Stage Considerations

5. Private Sector Engagement Desires

- Solicited or unsolicited proposals
- Private meetings before procurement
- Market sounding process (survey)
- Clear priorities and decision making process
- Clear evaluation and criteria
- Properly communicate expectations and standards by which success will be measured
- Identify and involve key stakeholders early and at all stages
- Involve senior leadership
- Limit deliverables required as part of bid package
- Consider how to protect bidders proprietary information from public records disclosures

Next Steps

