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ANNUAL REPORT

NCPPP'S Progress
and Milestones

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EXECUTIVE SUMMARY

Over the last twelve months, the National Council for Public-Private Partnerships has continued to grow and expand – in membership and in its programs and activities. The Council is now an effective voice in the public arena, representing the concerns and objectives of its members.

As this report details, the Council has significantly expanded the ways in which it communicates with public officials, the press and the general public. These efforts include:

- Continued distribution of the 2002 white paper “For the Good of the People” (over 37,000 copies are now in circulation)
- Published a second white paper “Critical Choices”
- Continued expansion of our Web site, with “hits” now averaging 120,000 per month
- Formation of a Transportation Institute, bringing the total to three (with Water and Real Estate)
- Continued development of special events for members, such as the Leadership Dinner with Congressman Tom DeLay
- Increased emphasis on issue-focused meetings that attract significant representation from the public sector
- A contract with the U.S. Department of Transportation for a series of three Partnerships in Transportation workshops
- Continued efforts to educate Congressional Members and staff on the value of PPPs
- A spectacular 15th Anniversary of Union Station event with major political figures
- Formation of an Academic Advisory Committee
- Development of a new Business Plan for 2004-2005

The Council will continue to expand its programs and services in the coming year. Membership continues to grow, with a number of significant companies expressing interest in about becoming members of NCPPP. This leads to the expectation that 2004 will be another year of noted growth in members and programs.

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MISSION

The mission of The National Council for Public-Private Partnerships is to advocate and facilitate the formation of public-private partnerships at the federal, state and local levels, where appropriate, and to raise the awareness of governments and businesses of the means by which their cooperation can cost effectively provide the public with quality goods, services and facilities.

objectives

- 1) To serve as an advocate of public-private partnerships.
- 2) To provide complete, objective, timely and useful information on the utilization of public-private partnerships to provide services and facilities to the general public.
- 3) To facilitate communications between public- and private-sector members with respect to issues related to the implementation of public-private partnerships.
- 4) To conduct educational, training and other activities on public-private partnerships.
- 5) To provide input to the public dialogue in support of the use of public-private partnerships and removal of impediments to their implementation.
- 6) To facilitate an international dialogue on public-private partnerships in support of the foregoing objectives.

KEY VALUES

- 1) Full and open participation by public and private members and encouragement of frank communication between the public and private sectors.
- 2) Assistance to both the public and private sectors in public-private partnership analysis and implementation.
- 3) Promotion of member teamwork in fulfilling the Council's mission and achieving its objectives as a non-profit, non-partisan organization.

EDUCATING THE PUBLIC

One of NCPPP's primary focuses is educating the public on the use of public-private partnerships in a wide array of industries through workshops. These workshops utilize expert speakers from the public and private sectors discussing the PPP process, including how to implement a partnership, procurement, financing, common barriers, and case studies. NCPPP prides itself on having interactive workshops and a mix of public and private sector participants.

The following are the workshops and conferences held from September 2002 to September 2003.

Demystifying Public-Private Partnerships: NCPPP's 15th Annual Conference and Awards Dinner September 25-27, 2002 Houston, Texas

The Annual Conference was developed to be a more interactive, attendee-involved conference. As most attendees would agree, the sessions were informative, but also interesting because of the creative format used for many sessions. These included a "family discussion", a mock public hearing, role reversals, and talk show formats. The conference format included three tracks (federal, state/local and fundamentals), to allow for focused sessions with a high degree of audience interaction.

A unique aspect of the conference was the tour of Houston PPPs sponsored by City of Houston, Houston Metro and Harris County – Houston Sports Authority was conducted on Wednesday, September 25.

Two key public representatives were featured speakers including Mayor Lee Brown (R-TX) and Oliver Luck, Chief Executive Officer of the Harris County – Houston Sports Authority. Overall speakers and attendees felt the conference was a success with substantial information being discussed in interactive formats and several opportunities to network.

The conference was cosponsored by American Public Works Association, Texas Chapter; City of Houston, Texas; Design-Build Institute of America, Texas Chapter; Greater Houston Partnership; Oklahoma Municipal League; Texas Department of Transportation; American Water Works Company, Inc.; Alternative Resources, Inc.; Capital Partnerships, Inc.; Earth Tech; ECO Resources; HDR Engineering, Inc.; OMI, Inc.; Thames Water; United Water; USFilter Operating Services; and U.S. Water.

Perspectives on the New A-76 Circular December 2, 2002 Washington, D.C.

In late November recommendations for the new A-76 Circular were released. In response to this release, NCPPP held a workshop with the goal to clarify and educate primarily public officials on the recommendations.

The morning session speaker was Angela Styles, Administrator of OMB's Office of Federal Procurement Policy, in which she described in detail the proposed changes, along with fellow speakers Jack Kalavritinos (OFPP) and David Childs (OFPP). The panels consisted of public and private officials in which many were on the panel

"Good meaty subjects. Good mix of policy and execution."

"I thought the format provided ample opportunity for both sides of the issues to be aired."

**Quotes taken from evaluation forms of workshop attendees.*

review for the Circular.

The meeting was a joint sponsorship between NCPPP and the American Bar Association, Section of Public Contract Law and attracted over 200 attendees.

**Meeting Public Needs Through Public-Private Real Estate Partnerships
December 16, 2002
Charleston, West Virginia**

The NCPPP Real Estate Institute (REI) conducted the second in its 2002 series of workshops on Public-Private Real Estate Partnerships. With the help of its cosponsor, West Virginia Development Office, NCPPP saw twice the turnout of the previous REI meeting in Pennsylvania.

Governor Bob Wise (WV) opened the meeting, noting that West Virginia is moving rapidly to support PPPs for economic development. Panels consisted of public and private sector experts discussing topics from the basic concept of PPPs to the pre-development steps for the public sector and effective implementation of a project. With each presentation, the objective was to provide illustrations of how PPPs can be used to significantly expand the resources and options for economic development.

Both attendees and presenters reported that this was a very successful meeting. The amount of dialogue between podium and audience was substantial, and the coffee breaks and luncheon proved to be protracted networking sessions.

**Federal Installations Management Workshop
April 30, 2003
Arlington, Virginia**

The subject of this workshop was a critical examination of the series of existing programs used in the operations of federal facilities and their economic impact on their local communities. Throughout the program there was the primary emphasis on how public-private partnerships can increase the effectiveness of these efforts.

The common theme that emerged was that while there is widespread recognition of the value of public-private partnerships, institutional hurdles still exist in a number of areas. Procurement procedures are frequently too cumbersome and questions still remain about how to measure value and long-term benefits.

Phil Sakowitz, Deputy Director of the newly organized U.S. Army Installation Management Agency (IMA) was the keynote speaker. The objective of the IMA is to more effectively coordinate the full range of programs, from housing to utilities, at all Army installations.

This was the first workshop that the International City/County Management Association (ICMA) and NCPPP cosponsored together, with nearly 100 people attending (predominantly from government agencies).

**Leadership Dinner with Congressman Tom DeLay
June 5, 2003
Washington, D.C.**

The Majority Leader of the House of Representatives Congressman Tom DeLay dined with key members of the NCPPP at NCPPP's Leadership Dinner. DeLay's remarks focused exclusively on the value of public-private partnerships.

*“Effective.
Good to hear
conversation
[and see]
interaction
between
panelists and
audience.”*

*“Panelists were
well prepared
and information
was timely.”*

**Quotes taken from
evaluation forms of
workshop attendees.*

Characteristic of his views was “government at all levels is going to have to figure out how to provide citizens services on limited budgets and spend money in innovative ways. Public-private partnerships will be critical to the development of this new paradigm.”

He went on to counter many of the myths about partnerships, addressing questions of loss of jobs, accountability, and the controlling of costs. He then noted the numerous successes in transportation and water/wastewater.

A-76 Implementation Workshop
June 17, 2003
Arlington, Virginia

The focus of the meeting was to discuss the implications of implementation of the just released revisions to OMB Circular A-76. The lead speaker was Jack Kalavritinos of the Office of Federal Procurement Policy, Office of Management and Budget. He outlined the input from the Commercial Activities Panel of last year. Other panels went into grave detail on the Circular and clarified many questions and misperceptions regarding the Circular.

The luncheon featured Daniel Gordon, Associate General Counsel of the General Accounting Office (GAO). Gordon noted that the success of the revised Circular would depend heavily on implementation.

The reaction of the registrants to the workshop was extremely positive, but it was also apparent that there are many questions that need to be answered over the next months as the revised process is applied.

Partnerships for Transportation and Real Estate: A Union Station Anniversary Workshop
September 24, 2003
Washington, D.C.

This event was to celebrate the 15th anniversary of the redevelopment of Union Station through a public-private partnership; a classic example of how to combine public and private sector resources for the benefit of the government, the general public and the private sector.

The morning keynote address was given by Administrator Mary Peters (Federal Highway Administration) who discussed the Department of Transportation’s view of PPPs and how they would like to utilize this technique more frequently. During the luncheon, Senator Elizabeth Dole (R-NC) discussed her involvement with the Union Station project and her experience with public-private partnerships.

The program also included an illustration of the range of use of public-private partnerships, with particular focus on transportation and economic development projects, including a synopsis of the Union Station redevelopment process and results from this groundbreaking public-private partnership, case studies of other types of public-private partnerships, the fundamentals of PPPs, legislative concepts, and roundtable discussions.

This workshop was the first one held by NCPPP’s Transportation Institute, and received overwhelmingly positive reviews. Equally important, it established NCPPP as a critical source of information on PPPs, in the view of the US Department of Transportation.

“There was some good nitty-gritty information especially on process and financing.”

“Finally got to hear the real issues.”

**Quotes taken from evaluation forms of workshop attendees.*

This workshop was sponsored by Association of American Railroads and the U.S. Department of Transportation. It was also cosponsored by American Iron and Steel Institute, CAPITAL PARTNERSHIPS, The Coalition for Innovative Transportation Solutions, Connex, DMJM Harris, DMJM Harris Planning, HDR, Inc., Jones Lang LaSalle, KBR, LCOR, Inc., Management Analysis, Inc., MARC, MTA Maryland, Stainback Public/Private Real Estate, USFilter Operating Services, Inc.

PUBLIC OUTREACH PROGRAMS

Department of Transportation Contract

In August 2003, the NCPPP was awarded a contract to conduct a series of workshops for the U.S. Department of Transportation (DOT). The purpose of these workshops is to provide state and local public officials (both elected and administrative) with a better understanding of the opportunities in using public-private partnerships for transportation projects.

The contract calls for three workshops to be held before the end of January 2004. The schedule includes sessions in Minneapolis, Minn. (cosponsored with the Minnesota Department of Transportation), in Vancouver, Wash. (cosponsored by the DOTs of both Washington and Oregon states) and in Austin, Texas (cosponsored with the Texas Department of Transportation).

Academic Advisory Committee Formed

The Academic Advisory Committee (AAC) was formed by NCPPP to serve as a resource to its members and the general public, to assist in the development of informational resources on public-private partnerships. This committee holds several responsibilities including advising on white papers, development of a white/issue paper, and to write articles for *Council Insights* and for placement on NCPPP's Web site.

Members Include:

- E.S. Savas, School of Public Affairs, Baruch College, City University of New York (chairman)
- David Schulz, Infrastructure Technology Institute, Northwestern University
- James Smith, Department of Construction Science, Texas A&M
- John Sommer, Department of Geography and Earth Sciences, University of North Carolina at Charlotte

NCPPP 2003 White Paper

In response to the rising opposition to public-private partnerships from some well organized groups, NCPPP produced the second in its series of white papers. *Critical Choices: The Debate Over Public-Private Partnerships and What it Means for America's Future* discusses the common misconceptions about public-private partnerships, and justifies the reasons these statements are false. This white paper is an effort to counter specific allegations and misinformation, and more fully educate public officials, the press and the general public about the realities and benefits of public-private partnerships.

"This White Paper is intended to counter some of the strident voices who are actively misrepresenting how successful partnerships have been."
~Honorable Robert Hebert, County Judge of Fort Bent County, Texas

Case Studies Publication

NCPPP produced *Case Studies From Across the United States* to assist its members and other interested parties in relaying the message on public-private partnerships. This publication includes all the case studies available on NCPPT's Web site in a user-friendly format. This is a valuable tool to educate others about best practices and past experiences. The document is being used widely in NCPPT events and has received excellent reviews.

Council Insights Goes Public

NCPPP's Executive Committee decided it would aid in fulfilling the mission of NCPPT by making *Council Insights* available for non-members to be able to view the newsletter. In addition, the Committee felt that the newsletter would be a good marketing tool for NCPPT. *Council Insights* is now sent by email to members and placed on NCPPT's Web site for anyone to download. This process had shown to be successful with an average of 300 downloads of *Council Insights* per month, varying issues each month.

Council Updates Informs Members

In response to the decision of making *Council Insights* a public document, NCPPT decided to send the email bulletin *Council Updates* on a monthly basis to members. This is an email that includes topics and issues regarding NCPPT that are for members only. This information is to increase Council member's knowledge of its actions and opportunities.

Web Site Seeing High Traffic

NCPPP's Web site has seen an average of 120,000 hits per month for the past year. Many of the new sections have been the most popular areas of the site. Some of the most viewed sections include How Partnerships Work, Press Kit, Case Studies, Council Members and Publications. Recently, the Resource section has become one of the most viewed sections due to the increase of available information. In the past months, the Council has included papers and articles from members and speeches presented at NCPPT meetings. These documents have seen an astonishing amount of downloads per month.

TEA 21 Briefing to the Highways and Transit Subcommittee

In response to a request from Congressman Don Young (R-AK), Chairman of the House Transportation and Infrastructure Committee, NCPPT prepared documents to assist the Highways and Transit Subcommittee staff in understanding how public-private partnerships can be part of the answer in meeting the nation's transportation needs. A team of 10 NCPPT members from both the public and private sectors developed specific recommendations to promote private sector development, financial and maintenance support of transportation projects. Two briefing sessions were conducted – one for Congressman Young and the other for key subcommittee staff.

Work with Public Sector Associations

The Council has made a conscious effort to build collaborative relationships with a number of associations with membership from the public sector. Most notable is

NCPPP's Web site has seen an average of 120,000 hits per month for the past year, and a constant increase in documents from members.

with the International City/County Management Association (ICMA), which cosponsored the Federal Installations Management Workshop in April. Additional workshops on the same topic are in the planning stages for early 2004. NCPPP has also worked with the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) in support on World Water Monitoring Day, and with the American Association of State Highway and Transportation Officials (AASHTO) in development of their partnerships program. In addition, a member of the NCPPP Executive Committee serves as the official representative of the NCPPP to the United Nations Economic Commission for Europe's Public-Private Partnerships Alliance. All of these efforts will continue and expand during 2004.

Increase in Press Coverage

In the past year, NCPPP has continued to experience an increase in its press coverage. This increase is in response to NCPPP's meetings and its 2002 white paper. Some of the major news organization that interviewed NCPPP include "All Things Considered" of National Public Radio, *New York Stock Exchange Magazine*, New Hampshire Public Radio and *Forbes Magazine*.

Demand for Speaking Engagements

NCPPP's Executive Director has been on demand for speaking engagements this year. Requests for him to present on the general procedures and background of public-private partnerships have come from organizations including the U.S. Agency for International Development, National Lieutenant Governors Association, South-west Florida Water Management District, Public Technology, Inc., just to name a few. These opportunities are a real benefit to NCPPP in getting its message out.

*By acting as the
nexus for public-
private
partnerships,
NCPPP
essentially
provides a
bridge between
the public and
private sectors
to engage in
partnerships
with each other.*

COUNCIL MEMBERSHIP

In the past year, several new organizations have joined NCPPP's membership, many in response to meetings being held by NCPPP. The quality of the members that have recently joined is impressive.

New members include:

- AECOM Consult, Inc., General/Private
- Association of American Railroads, Sponsor/Public
- Bostonia Partners LLC, General/Private
- City of Corpus Christi, General/Public
- Clark Construction Group, Inc., General/Private
- Ferris Baker Watts, Inc., General/Private
- HLB Decision Economics, Sponsor/Private
- Jones Lang LaSalle, Sponsor/Private
- Koch Industries, General/Private
- LCOR, Inc., General/Private
- Nossaman, Guthner, Knox & Elliott, LLP, General/Private
- Secretariat du Conseil du Tresor, General/Public
- Tobin, Carberry, O'Malley, Riley & Selinger, P.C., General/Private
- Tulare County Department of Child Support Services, General/Public

INSTITUTE REPORTS

Real Estate Institute

The Real Estate Institute (REI) of the NCPPP provides a forum for Council members with interests in the use of public-private partnerships for real estate development and value optimization of underutilized government-owned land. The REI provides an Advisory Service Program for public officials, develops educational materials, and participates in conferences with the common objective of not only to promote real estate partnerships, but also the best practices in this emerging industry.

Members include:

- Bingham McCutchen
- Bostonia Partners
- Commonwealth Competition Council
- Elias Group
- Ernst & Young
- Ferrucci Russo
- HDR, Inc.
- Jones Lang LaSalle
- Lehman Brothers
- Neighborhood America
- Public Realty Capital
- Sidley, Austin, Brown & Wood
- Signet Partners
- Stainback Public/Private Real Estate LLC

The REI held one workshop in the past year in Charleston, West Virginia with the assistance of the West Virginia Development Office. Additional workshops are in the planning stages for 2004.

Transportation Institute

The newest institute within NCPPP is the Transportation Institute (TI). It provides a forum for Council members with interests in the use of public-private partnerships for the development of transportation projects. The TI serves as a principle resource in the execution of a series of workshops being conducted under a contract with the U.S. Department of Transportation for three workshops. In addition, the TI serves as the voice of NCPPP in presenting policy concepts to improve the opportunities for use of public-private partnerships at the federal, state and local levels

Members include:

- AECOM Consult
- American Iron and Steel Institute
- Association of American Railroads
- Bostonia Partners LLC
- CAPITAL PARTNERSHIPS (Va.), Inc.
- CH2M Hill, Inc.
- HDR, Inc.
- Infrastructure Management Group
- Koch Industries

These institutes serve as a forum for Council members to undertake a range of programs and activities focused on specific sectors, under the umbrella of NCPPP's mission and policies in support of PPPs.

- Lehman Brothers
- Nossaman, Guthner, Knox & Elliott, LLP
- Scully Capital Services
- Washington State Department of Transportation
- Ybarra Group

The TI has held one workshop this year at Union Station in Washington, D.C. Plans for 2004 include development of a state and local tracking service of legislative and regulatory developments, and additional workshops.

Water Institute

The Water Institute (WI) of the NCPPP provides a forum for Council members with interests in the use of public-private partnership for the design, building, operation and/or maintenance of water and wastewater systems. The WI conducts seminars and workshops for public-sector officials on topics such as full cost accounting, best practices in the development of public-private partnerships and related subjects.

WI Steering Committee:

- American Water Works Company
- Earth Tech
- Elias Group
- HDR, Inc.
- OMI, Inc.
- Southwest Water Company Services Group
- United Water
- USFilter Operating Services

WI General Members:

- Alternative Resources, Inc.
- Bingham McCutchen LLP
- Hawkins Delafield & Wood
- Hicks-Richardson Associates
- National Association of Water Companies
- Poseidon Resources
- Scully Capital Services, Inc.
- Washington Suburban Sanitary Commission

WI members were actively involved in providing information to Members of Congress and their staffs for inclusion of language favorable to public-private partnerships in the Water Infrastructure and Private Activity Bond legislation under consideration. Several regional workshops are in the planning stages for 2004, as well as preparation of a grant proposal for the US Environmental Protection Agency.

Institutes undertake projects such as the development of workshops and educational documents, intended to inform federal, state and local officials about the use PPPs.

PUBLIC-PRIVATE PARTNERSHIP AWARDS

Each year NCPPP recognizes companies and organizations that have successfully completed a unique and innovative public-private partnership. This prestigious award recognizes projects and individuals, illustrating some of the best practices and applications in the field of public-private partnerships.

To make this process a more competitive one, NCPPP refined its previous guidelines. Project/Service awards are now made in three categories: Innovation Award, Infrastructure Award and Services Award. And a limited number of awards may be granted in each category.

The 2003 NCPPP Public-Private Partnership Award recipients are:

- City of Long Beach, Mississippi and Operations Technologies, Inc. for City of Long Beach, MS, Public Works Partnership (Services Award)
- Lake City Community College and Operations Management International, Inc. for Live Oak-OMI, Inc. Water and Wastewater Treatment Plants CEU Program (Innovation Award)
- Tampa Bay Water and USFilter Operating Services, Inc. for USFilter and Tampa Bay Water, Fla., Water Treatment Partnership (Infrastructure Award)
- Virginia Department of Transportation and Fluor Daniels/Morrison Knutson for Pocahontas Parkway (Infrastructure Award)

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BOARD OF DIRECTORS

The Council is governed by A Board of Directors comprised of a representative of each member at the Sustaining or Sponsor level. Members of the Board of Directors currently include:

- Ken Butler, CAPITAL PARTNERSHIPS, Inc.
- Patrick Cairo, United Water
- Steve Claiborn, Lehman Brothers
- Dan Elias, Elias Group
- Roger Feldman, Bingham McCutchen, LLP
- Edward Hamberger, Association of American Railroads
- Robert Hebert, Southwest Water Company Services Group
- Douglas Herbst, CH2M Hill
- Don Levine, USFilter Operating Services, Inc.
- Susan Mays, OMI, Inc.
- Wayne Morgan, American Water Works Company
- Brian Oakley, Scully Capital Services
- Keith Oldewurtel, Earth Tech
- Eric Petersen, Hawkins Delafield & Wood
- David Seader, Seader Associates
- Andrew Shea, Poseidon Resources Corporation
- Diane Shute, Grant Thornton, LLP
- Art Smith, Management Analysis, Inc.
- Richard Splete, HDR Engineering, Inc.
- John Stainback, Stainback Public/Private Real Estate LLC
- Mark Wagner, Johnson Controls, Inc.
- Kevin Wayer, Jones Lang LaSalle

EXECUTIVE COMMITTEE

The daily operations of the Council are overseen by an Executive Committee, elected by the Board of Directors. Members of the Executive Committee currently include:

- Chair: David Seader, Seader Associates
- President: Robert Hebert, Southwest Water Company Services Group
- President Elect: Don Levine, USFilter Operating Systems, Inc.
- VP, Finance/Secretary: Art Smith, Management Analysis, Inc.
- VP, Information: John Stainback, Stainback Public/Private Real Estate LLC
- VP, Marketing: Brian Oakley, Scully Capital Services
- VP, Membership: Ken Butler, CAPITAL PARTNERSHIPS, Inc.
- VP, Policy: Michael Deane
- VP, Programs: Mark Wagner, Johnson Controls, Inc.
- At-Large Member: Phil Bomersheim, Commonwealth Competition Council
- At-Large Member: Jerry Ellis, Washington Department of Transportation
- At-Large Member: Janice Menker, Concurrent Technologies, Inc.
- At-Large Member: Eugene Schiller, Southwest Florida Water Management District
- At-Large Member: Diane Shute, Grant Thornton



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