

# Public-Private Partnerships; Key Elements for Success

National Council for Public-Private Partnerships  
Partnerships in Transportation Workshop  
October 6, 2004

Presented by:  
Tom Ragland, P.E.  
Vice President, CH2M HILL

# Recent Project Experience

- VA 288, Virginia
- US 550 (NM 44), New Mexico
- Port of Galveston, Texas
- Sea to Sky Highway, Vancouver, B.C.
- Transportation Corridor Agencies, California
- Sudley Manor Drive, Virginia

# Key Elements for PPP Success

- Procurement processes
- Environmental clearance
- Funding source
- Political support
- Distribution of risk/reward

# Procurement Must Be Reasonable to Attract Private Partners

- Processes are clear
- Schedules are date-certain
- Consistency is maintained
- Delivery methods are consistent with procurement

# Environmental Clearance Will Impact Schedule and Scope

- Duration of clearance varies significantly
  - Federal
  - State
  - Local
- Scope impacts
  - Mitigation requirements
  - Program changes during alternatives analysis

# Funding Sources Impact Project Feasibility

- Traditional revenue streams
- Leverage through bonds
- Tolls
- Special tax districts
- Development participation
- Other

# Political Support Should Match Project Characteristics

- Large programs
- Controversial projects
- New taxes, tolls or fees
- Redistribution of existing revenues
- Project history

# Recognition of Risk Shifts and Commensurate Compensation

- Project failures impact private entities differently
  - Development risks
  - Delivery risks
- Distribution of risks should match participant strengths
- Public investment in development process

# Summary of Key Elements for PPP Success

- Clear, consistent procurement processes
- Expeditious environmental clearance
- Feasible funding source
- Appropriate levels of political support
- Equitable distribution of risk/reward