



COUNCIL insights

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ANNUAL MEETING NOW WITH THREE CONCURRENT WORKSHOPS

Planning for this year's Annual Meeting in Houston is well underway. The format for the 2007 edition differs from previous years, following a suggestion by former **Chairman Bob Hebert** (Fort Bend County, Texas) and approved at the 2006 Board of Directors' meeting. Under the new revised format, the Board of Directors will meet on Thursday afternoon, November 1, and in the evening the Annual Awards Banquet will be held. The new wrinkle is the second day, November 2, which will be devoted to three concurrent workshops: one each for economic development, transportation, and water/wastewater.

Program planning committees for each of the workshops have been hard at work for several weeks, developing the agendas and recruiting speakers. Key speakers already recruited for these workshops include public and private sector leaders for significant PPP projects, leading political figures from both Texas and the national scene, and an array of financing and legal experts. The results of all these recruiting efforts will shortly appear on the NCPPP Website.



There has been a very positive response from our membership and several public organizations regarding the meeting's new format. The meetings will be held in conjunction with the Association of Water Board Directors of Texas (AWBD-TX), the Fort Bend County Economic Development Commission and the Texas Department of Transportation – these three public sector groups will help in

generating what is believed will be a record attendance for the meeting. Financial support for the meeting has also been received from Balfour Beatty, Capital Partnerships, CH2MHill OMI, HDR and Veolia. Additional sponsorship opportunities still exist, either as a meeting underwriter or as a function sponsor – visit the Website or contact **Rick Norment** for details.

Because of the expected turnout for this meeting (possibly to exceed 400 registrants), it is recommended that those planning to attend should make their reservations as soon as possible

at the Omni Houston Hotel at Four Riverway (phone: 713.871.8181 or 800.843.6664). Special room rates are available for reservations made by October 12, when you specify being part of the NCPPP's room block.

FIRST ENERGY MEETING HELD WAS A SUCCESS

On September 14, the NCPPP conducted another in its series of workshops. "Partnerships in Energy" was held in Washington, with over 50 people participating.

The meeting offered an extremely substantive and stimulating program. Representatives of the Army, Air Force and Veterans Affairs outlined how Enhanced Use Leasing (EUL) and other federal programs have been used to partner with the private sector for delivery of energy projects.

A panel on renewable energy and energy security offered a number of innovative program concerns. **John Williams** (HDR) outlined the concept of an "energy hotel", a means of capturing energy from the breaking in transit systems and other renewable resources, and storing the captured energy for power-lose emergencies. Other presenters covered the recent positive developments in solar and wind power. All of these concepts are being explored through the use of public-private partnerships.

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One area of interest at the meeting was the status of energy legislation currently under consideration in Congress. **Roger Stark** and **Mike Evans** (Kirkpatrick & Lockhart Preston Gates Ellis) provided an up-to-date and extremely candid discussion of the current options and the prognosis for passage, much of which is favorable for PPPs.

One of the most interesting sessions in the meeting was the presentation led by **Anita Molino** (Bostonia Partners), with representatives from both the public and private sectors involved in an energy aggregation project underway in Cambridge, Massachusetts. By applying the concept of energy savings performance contracts to local businesses and residences, this PPP will provide enormous savings in energy costs (for both the public and private sectors) and significant reductions in greenhouse emissions. Additional panels covered methods of improving energy efficiency and financing methods, both through the use of PPPs.

A special note of appreciation must go to **Molino** for the effort made by her and others at Bostonia Partners – they were responsible for recruiting the majority of the speakers and generated the hosting of functions by Siemens (now a new member of the NCPPP) and Sullivan & Worcester. There is already some discussion of repeating this workshop, possibly in the spring following passage by Congress of the final energy package. This month's workshop materials are now available on the NCPPP Website under "Publications", then "Conference Materials", and available for purchase, see details on the Website.



PARTNERSHIPS IN PUERTO RICO

Over the last several months, the NCPPP has seen an increase in discussions with a number of Association of General Contractors (AGC) local chapters. Indiana's chapter made a major presentation at the "Partnerships in Transportation Workshop" held in Kansas City in May. This same meeting saw a number of chapters (from Kansas and Missouri) also participate in the program, all make positive indications about the use of PPPs in their respective states.

Now the most recent addition to the growing list is the AGC chapter in Puerto Rico. On August 30, NCPPP's Executive Director **Rick Norment** addressed their Annual Convention as part of a full day session on Grupo Alianzas Publico-Privadas (Public-Private Partnerships). Other panelists include **George Beidiger** of Fluor and Secretary of the PR Department of Transportation **Dr. Carlos Gonzalez**.

In the course of this session, which attracted an audience of several hundred, a number of potential and current PPP projects were discussed. These include projects for water with a significant positive environmental impact, economic development of a new "science city" and several transportation projects. The tone of the whole meeting was extremely positive, as both public officials and AGC members increasingly envisioned PPPs as one additional tool in answering a number of the development challenges in Puerto Rico.

The meeting organizers also expressed a strong interest in working more closely with the NCPPP on a continuing basis. Discussions include the possibility of additional conferences covering PPPs, and several organizations (both private and public) expressed interest in becoming members of the Council.

INTERNATIONAL INSTITUTE

As part of last year's training session for UN Development Program personnel (Insights, Fall, 2006), a call for "faculty members" led to a surprisingly strong response. The NCPPP had little difficulty in filling the over a dozen slots on the five-day program.

More importantly, this illustrated the range of "global interest" that exists within the Council's Membership. As a direct result, the NCPPP Executive Committee approved the formation of an International Institute (II). Like its siblings, the II serves as a forum for NCPPP members to organize activities and participate in unique programs. This institute is chaired by NCPPP **President Art Smith**, who is particularly active in international events, to a large extent as a result of his role as Vice Chair of the United Nations' Public-Private Partnership group within the Economic Commission for Europe.

The United Nations Development Program's Special Unit for South-South Cooperation (SU/SSC) has called upon the NCPPP and its institute members to provide a range of services. As noted previously, the Council develops and

maintains a Website for the SU/SSC that can be found on the NCPPP Website. Several NCPPP members have assisted in the development of the case studies contained there. In addition, the UN has called upon the NCPPP to participate in several international meetings. Two examples are the SU/SSC Summit meeting in Shanghai (Insights, Winter 2006) and Transportation and Economic Development Summit held in Ouagadougou, Burkina Faso, Africa in June of this year. The SU/SSC is considering additional programs for the NCPPP for 2007.

Partially as a result of these efforts, Toyo University has asked the NCPPP to participate in a special forum on Partnerships and Economic Development to be held in the last week of September in Tokyo, Japan. **President Art Smith** (Management Analysis, Inc.), **Bob Jennings** (Scannell Properties) and **Rick Norment** (NCPPP) will all participate in the several days of activities related to this forum.

If you are interested in participating in some of these International Institute activities, contact **Rick Norment** at the NCPPP offices.

A BUSINESS APPROACH TO GOVERNMENT PLACES CITIZENS FIRST

By: Gary L. Miller, CH2M HILL OMI

Georgia's on the minds of anyone who follows government. That's because there's never been anything quite like the way the City of Sandy Springs runs its government.

When voters overwhelmingly approved a referendum for cityhood in July 2005, the Governor's Commission on Sandy Springs decided on a bold approach: run the new city as a business, not like the bureaucracy of which residents had grown tired. And what better way to run the city like a business than to retain a business to run the city.

In this groundbreaking public-private partnership, the city has only a handful of staff and contracts all services except police, fire, and emergency 911 to CH2M HILL OMI. From filling potholes to managing information technology to performing administrative services for the court—and just about everything in between—all public works, parks and recreation, community development, and administrative functions are the company's responsibility.

CH2M HILL OMI mobilized this project in less than 3 months so the city was ready to begin serving citizens just 8 hours after it officially incorporated. Since Sandy Springs is Georgia's first new city in decades, there were some uncharted waters. The team had to leverage or develop strong relationships at the County, State, and Federal Level to ensure records were transferred smoothly, ongoing capital improvement projects continued and the City captured all of the revenue to which it was entitled. The process included a daunting punch list, with zero room for schedule slippage.

While the company was selected in September 2005, the partners could not enter into a contract until the City Council was seated December 1. So CH2M HILL OMI invested its own funds to secure office space, recruit and train staff, lease equipment, and put in place all of the systems and processes necessary to serve the public in 90 days—all on a handshake. The \$27 million contract saved the City \$20 million in the first year as compared with traditional municipal management, according to estimates by the University of Georgia's Carl Vinson Institute of Government.

CH2M HILL OMI and Sandy Springs began working together in September 2005, and a one-year contract was signed in December 2005. The contract is annually renewable for five more years.

Today, Sandy Springs is serving as a model for the neighboring communities of

Johns Creek and Milton, which opened their doors December 1, 2006. And municipal leaders, universities and think tanks from around North America and as far away as Japan who have read about Sandy Springs on the front page of *USA Today* or *American City & County* or seen it on CNN or FOX News want to learn more about this innovative new government model. Last fall, the partnership was recognized by the National Council for Public-Private Partnerships for innovation.

Is what *American City & County* called the "big experiment" last November a success? By most accounts, the new city has delivered on its promise of a more responsive government designing its business processes around the simple principle that the citizen should be treated as a customer.

The results are easy to see in community development. Developers make fewer trips to city hall because documents are passed across traditional departmental lines by the staff. And there's now an "express line" for simple projects like patios and desks. This approach has reduced the average permit turnaround from 8 weeks to 2.

At the heart of the model is the 24/7 call center, where citizens always reach a live person—which they do at a rate of 6,000 times per month. The *Atlanta Journal-Constitution* put the call center to the test with a Sunday morning call, and the following Sunday's paper reported satisfaction with the experience.

So while this model may not be for everyone, Sandy Springs' citizen-first approach can be a lesson to any government. After all, whether the government is staffed by city employees or a private contractor, serving citizens is the business of government.

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Gary L. Miller is Senior Vice President of Business Development & Planning for CH2M HILL OMI. The company and Chattahoochee Hill Country, also in Georgia, recently announced a partnership for the startup of that soon-to-be-city.

This article originally appeared in Georgia Cities



9/14/07 – Eighty-five Kilpatrick Stockton attorneys have recently been honored by their peers in The Best Lawyers in America® 2008. Kilpatrick Stockton ranks #9 among all AmLaw 100 firms in the percentage (nearly 20%) of attorneys named Best Lawyers, and is ranked 28th in the nation for all law firms in the overall number for attorneys listed.

9/13/07 – City of Corpus Christi has received word from the South Texas Aggregation Project, Inc. (STAP) that STAP members saved more than \$20 million on electric costs in 2006, which was approximately 32 percent off of the Price to Beat rate. Overall, during the five years since the Texas electric market was deregulated on January 1, 2002, STAP members have saved almost \$68 million on electric prices. The City of Corpus Christi is a member of STAP, which is a nonprofit corporation run entirely by public officials, with membership available to all political subdivisions in Texas that purchase electricity for public facilities. STAP members include 41 cities, 1 Water Authority, 1 Water Improvement District, 1 River Authority and 3 Housing Authorities.

9/12/07 – Mayer Brown partner Marcia Madsen has been named the Top Government Contracts Lawyer for 2007 by the Washington Business Journal. The distinguished award, which was presented at a reception in Washington, D.C. on Tuesday September 11, 2007, is bestowed annually to the lawyer(s) exemplifying the very highest standards of professionalism, ability and expertise.

9/11/07 – ARINC Incorporated announced it has received an Indefinite Delivery-Indefinite Quantity (IDIQ) contract to support U.S. Department of Defense initiatives combating the global flow of illegal drugs used to finance terrorist activities (narcoterrorism). The contract vehicle has a potential value of \$15 billion over a 5-year period.

9/6/07 – A team led by Earth Tech Inc. was awarded a five-year, USD \$20 million contract by Ferrovial Agroman Zachry (FAZ) to design three segments along the Texas State Highway 130 (SH 130), which extends from southeast Austin to Interstate Highway 10 near Seguin, Texas. This contract is the first Facility Concession Agreement (FCA) under the umbrella Comprehensive Development Agreement for Trans-Texas Corridor 35 (TTC-35), a 560-mile component of the Trans-Texas Corridor, which was signed in March 2005.

8/30/07 – Balfour Beatty announced that they have acquired Cowlin Group, the leading UK regional building business, for a cash consideration of approximately £52 million from its current management.

8/27/07 – ACS announced that its Cary, North Carolina, facility has been recognized for call center operation customer satisfaction excellence under the rigorous J.D. Power and Associates Call Center Certification Program. ACS agents in Cary scored well above average and were rated at or near the outstanding range across all measurable attributes, indicating and resulting in exceptional customer satisfaction and reflecting the company's courtesy and concern for its customers.

8/27/07 – Parsons announced that the Salt Waste Processing Facility (SWPF) team in Aiken, South Carolina, completed one million man-hours without a lost-time accident. "Safety continues to be the number one priority of the SWPF

project," said Dave Amerine, Parsons SWPF Project Manager. "Our successful safety program requires total involvement from everyone on the project, and we commend our team for this safety milestone."

8/23/07 – American Water's Applied Water Management Group has received New York City Department of Health certification for a state-of-the-art wastewater recycling system at Millennium Towers Residences, a 35-story high-rise apartment building in Battery Park City. The system meets all Battery Park City Authority's pioneering Residential Environmental Guidelines and reduces the demand for potable water in the building by nearly half, providing a sustainable, long-term environmental advantage.

8/16/07 – HDR, one of the architectural and engineering firms hired to manage construction of the No. 7 subway line extension, also has been selected as one of the firm's providing transportation planning services for the Metropolitan Transportation Authority (MTA). The three-year contract with HDR is for providing market research to identify priorities and strategies for business development, capital improvements, service planning and policy-making decisions. The goal of the market research program is to help MTA become more cost-effective and responsive to customer needs.

8/8/07 – Confirming that mid-sized law firms have as much to offer attorneys as their larger rivals, financial services law firm Chapman and Cutler LLP was ranked number 12 out of 164 firms nationwide in mid-level associate satisfaction, according to the latest survey by American Lawyer magazine.

7/24/07 – By hosting everything from pancake breakfasts to bowling tournaments, CH2M HILL employees around the world have raised more than \$92,000 in employee contributions to help Water For People, an international nonprofit that increases access to safe drinking water and improves sanitation and health in developing countries. Together with cash and in-kind contributions, the company and its employees committed more than \$125,000 to advance Water For People's work and support its 2007 fundraising campaign.

7/24/07 – The Florida Department of Transportation (FDOT) has awarded a contract to PB for construction engineering and inspection (CE&I) services for a \$150 million reconstruction of I-275 in Hillsborough County. As part of the project, three to four lanes will be added to I-275 from Himes Avenue to the Hillsborough River. Eight new bridges will be built and one existing structure will be widened.

7/17/07 – As a result of a survey of the nation's 200 highest-grossing firms, Dykema has been ranked 93rd by The American Lawyer magazine for its pro bono efforts in 2006. Half of the score comes from the average number of pro bono hours per lawyer, while the remaining half is the percentage of lawyers who perform more than 20 hours of pro bono work.

7/17/07 – E.S. Savas, Professor of Public Affairs at Baruch College and an internationally renowned expert in the field of privatization, has been designated a "Presidential Professor." The title, bestowed this year for the first time by Baruch President Kathleen Waldron, is an honor that carries with it prestige, research support, and more time for self-directed projects.

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partnerships in the news

Rural Economic Development Fund Launched

A new public-private partnership has launched the Tennessee Rural Opportunity Fund to benefit rural economic development.

The joint fund was created through a partnership by the state of Tennessee, the Tennessee Bankers Association and Southeast Capital Management, a nonprofit community development financial institution.

The fund will provide loans and technical assistance to small, disadvantaged and early-state businesses in rural Tennessee.

Gov. Phil Bredesen announced the fund during his keynote address at the Governor's Conference on Economic and Community Development Thursday.

"The Rural Opportunity Fund is truly an innovative partnership," Bredesen says in a release. "I'm excited about the opportunities that will arise from this new source of capital for small and independent business growth here in Tennessee."

September 17, 2007, Nashville Business Journal

NAVC Lands \$54M for Six New Fuel Cell Bus Projects

A regional group promoting cleaner transportation has landed federal funding.

The Northeast Advanced Vehicle Consortium (NAVC) reports it has signed contracts with the Federal Transit Administration, as part of the National Fuel Cell Bus Program, for six new projects.

NAVC landed more than \$54 million in total project funding, with \$26.9 million in FTA funding as part of the National Fuel Cell Bus Program.

In addition, funding was given to projects at GE Research and the New York Power Authority in New York.

NAVC is a Boston-based public-private partnership of companies, public agencies and others working together to promote advanced vehicle technologies in the Northeast United States.

NAVC, in a competitive solicitation, won the most programs in the nation, officials said.

September 17, 2007, Mass High Tech: The Journal of New England Technology

Public-Private Effort Needed to Address NW Colorado Growth

A new study calls for public-private partnerships to address the rapid growth in northwest Colorado fueled in part by the area's natural gas boom.

The study conducted by Mesa State College professor John Redifer calls on energy companies to team up with cities and counties to deal with the impacts of

growth on a regional basis. Those impacts include a scarcity of affordable housing, labor shortages, increased crime, environmental concerns and a strain on the health care system.

The study also addresses some of the benefits: lower unemployment, higher property taxes, wages and tax revenue. Six energy companies teamed up with the Northwest Regional Council to pay for the report, which was commissioned by the Colorado Springs-based El Pomar Foundation.

September 11, 2007, The Associated Press

Va. HOT Lane Project to Start Early Next Year

Construction of express toll lanes on the Capital Beltway in Virginia will begin early next year and last five years, state transportation officials said yesterday as they detailed significant changes to a privately backed project that is intended to provide a quicker commute through one of the region's most clogged corridors.

The revamped 14-mile project, with a price tag that has nearly doubled to \$1.7 billion, includes nine dedicated interchanges from the Beltway, including three new access points to Tysons Corner. Original plans called for several "slip ramps" that would have required drivers to cross several lanes of traffic to exit the four high-occupancy toll, or HOT, lanes.

The deal, which Virginia transportation officials are scheduled to announce today, also includes the construction of carpool lanes through the Springfield interchange and a reconfiguration of the Beltway's interchange with Interstate 66, including direct access to the high-occupancy lanes. The dedicated ramps are intended to smooth traffic flow, provide easier access to Tysons and make it more likely that motorists will pay the toll to use the new lanes.

Those changes and rising construction costs have added hundreds of millions of dollars to the project's cost, including about \$409 million in public money for work that state officials originally said would be paid for by the private firms building it. Taxpayer money that was set aside will be used to pay for the Springfield and I-66 connections, and \$157 million from the state's general fund will be used for the rest, officials said.

Faced with tight transportation budgets, Virginia and Maryland officials have turned in recent years to private backers for major highway projects. Under the terms of the agreement, the private companies building the project, Transurban and Fluor Enterprises, will operate and maintain the HOT lanes for 80 years, including the five years of construction. The companies will be responsible for any cost overruns.

Under the agreement to be announced today, the companies will build two lanes on each side of the Beltway. When construction is finished, the existing middle four lanes will be converted to HOT lanes. That ensures that motorists who do not use the HOT lanes will not lose any capacity and that the construction will occur along the shoulders.

September 10, 2007, Karin Brulliard, Washington Post

NEW MEMBERS

Dorothy Morillos became an individual public member. She is a Graduate Research Assistant at the Georgia Institute of Technology, Civil and Environmental Engineering.

Ahmed Abdel Aziz became an individual public member. He is an Assistant Professor at the University of Washington.

Lend Lease Retail & Communities became a general private member. The official representative is Jeffrey Perelman, Head of Corporate Strategy & Development. Lend Lease is a leading international retail and residential property group integrated with strong investment management and construction management businesses. Lend Lease Retail and Communities houses our retail operation, Lend Lease Retail; the community land development business, Lend Lease Communities.

NOVOGRADAC & Company LLP became a general private member. The official representative is Brad Weinberg, Partner. Nogogradac & Company LLP is a nationally certified public accounting firm that specializes in housing, community, and economic development. Novogradac works extensively in the affordable housing and community development fields, providing tax, auditing, demographic

and market research, valuation and consulting services. Established in 1989, the firm maintains its headquarters in San Francisco, California and has additional offices in Metro Washington, D.C., Atlanta, GA, and Kansas City, MO, as well as in Dover, OH; Austin, TX; Long Beach, CA; and Boston, MA. The headquarters of the Government Consulting and Valuation Advisory (GoVal) Group is in the Washington, D.C. metro office.

Siemens became a sponsor private member. The official representative is Michael Wells, Senior Vice President. Siemens has 150 years of experience as a technological innovator and has long been a leading member of the energy industry. Awareness and Acknowledgements:

- Part of the Dow Jones Sustainability Index for seven consecutive years
- Founding member of Ecosense (Forum for Sustainable Development) and a
- Corporate partner in DOE Rebuild America program
- Corporate partner in the Alliance to Save Energy
- Sylvania Technologies is a corporate member of the U.S. Green Building Council
- Building Technologies is accredited by the National Association of Energy Service Companies (NAESCO) as an Energy Service Provider

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7/16/07 – The new Tacoma Narrows Bridge, built by a joint venture of Bechtel and Kiewit Pacific, opened to motorists on July 16. The previous day, 60,000 people walked or ran across the deck to celebrate the opening.

7/2/07 – A water and wastewater system operated by CH2M HILL OMI for the city of Rio Rancho, N.M, has earned the New Mexico Environment Department Occupational Health and Safety Bureau's highest designation for workplace safety – the "Zia Star" status in its Voluntary Protection Program. Rio Rancho is the first CH2M HILL OMI-operated municipal water and wastewater system to be recognized with VPP status. The site is one of seven CH2M HILL OMI facilities to achieve top safety awards through the first half of this year.

6/29/07 – United Water acquired AOS Operating Company from United Kingdom-based Kelda Group. AOS operations will move to United Water's Contract Services headquarters based in Indianapolis and will be overseen here by United Water Contract Services Chief Operating Officer J.C. Goldman. AOS Operating Company provides water and wastewater operations and maintenance services, largely for municipal clients. AOS Operating Company will be a wholly-owned subsidiary of United Water.

6/26/07 – Infrastructure Management Group, Inc. (IMG) announced that Dayton International Airport (DAY) has engaged their management consulting team, led by Emry Robison, to assist the Airport with strategic consulting services. The IMG team will develop a three-five year Strategic Plan that will set the organization's direction in a manner to benefit both internal and external stakeholder groups and will support the regional economy.

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CALENDAR OF EVENTS

Nov 1-2 **2007 Annual Meeting & Awards Banquet**
Omni Houston
Houston, TX

Dec 7 **Partnerships for Federal Properties Workshop**
The Westin Washington City Center
Washington, DC

For more information, visit the Calendars section at www.ncppp.org

Council Insights is a publication of The National Council for Public-Private Partnerships (NCPPP). NCPPP is a non-profit, non-partisan organization with both public and private-sector participation on its Executive Committee. Melissa Aru, Communications Manager. Write to The National Council for Public-Private Partnerships, 1660 L Street, NW, Suite 510, Washington, D.C. 20036. Phone: (202) 467-6800; Fax: (202) 467-6312; E-mail: ncppp@ncppp.org. © 2007 The National Council for Public-Private Partnerships. All rights reserved.