



Pacific Northwest Economic Region: Annual Summit

P3s and the FAST Act: How Agencies Can Maximize New Infrastructure Delivery Tools

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- Overview of the Fixing America's Surface Transportation (FAST) Act
- FAST Act – Innovative Financing Provisions
- How Public-Private Partnerships (P3s) leverage FAST Act Innovations
- When P3s are Appropriate

FAST Act

- Five-year authorization (FY16-FY20)
- Over \$300B for highway, transit, rail, and safety programs
- Longest federal surface transportation authorization in nearly 20 years
- Largest infrastructure investment in U.S. history

FAST Act – Innovative Financing Provisions

- FASTLANE Grant Program
- Innovative Finance Bureau
- TIFIA
- RRIF
- Regional Infrastructure Accelerator
- Long-term funding authority

So how can public agencies maximize the opportunities provided by the FAST Act?

- P3s are an underutilized, important way that public agencies can leverage the new opportunities in the FAST Act.

Conventional Project Delivery and When to Look for Alternatives

- In the United States, transportation projects historically rely on the Design-Bid-Build (DBB) model

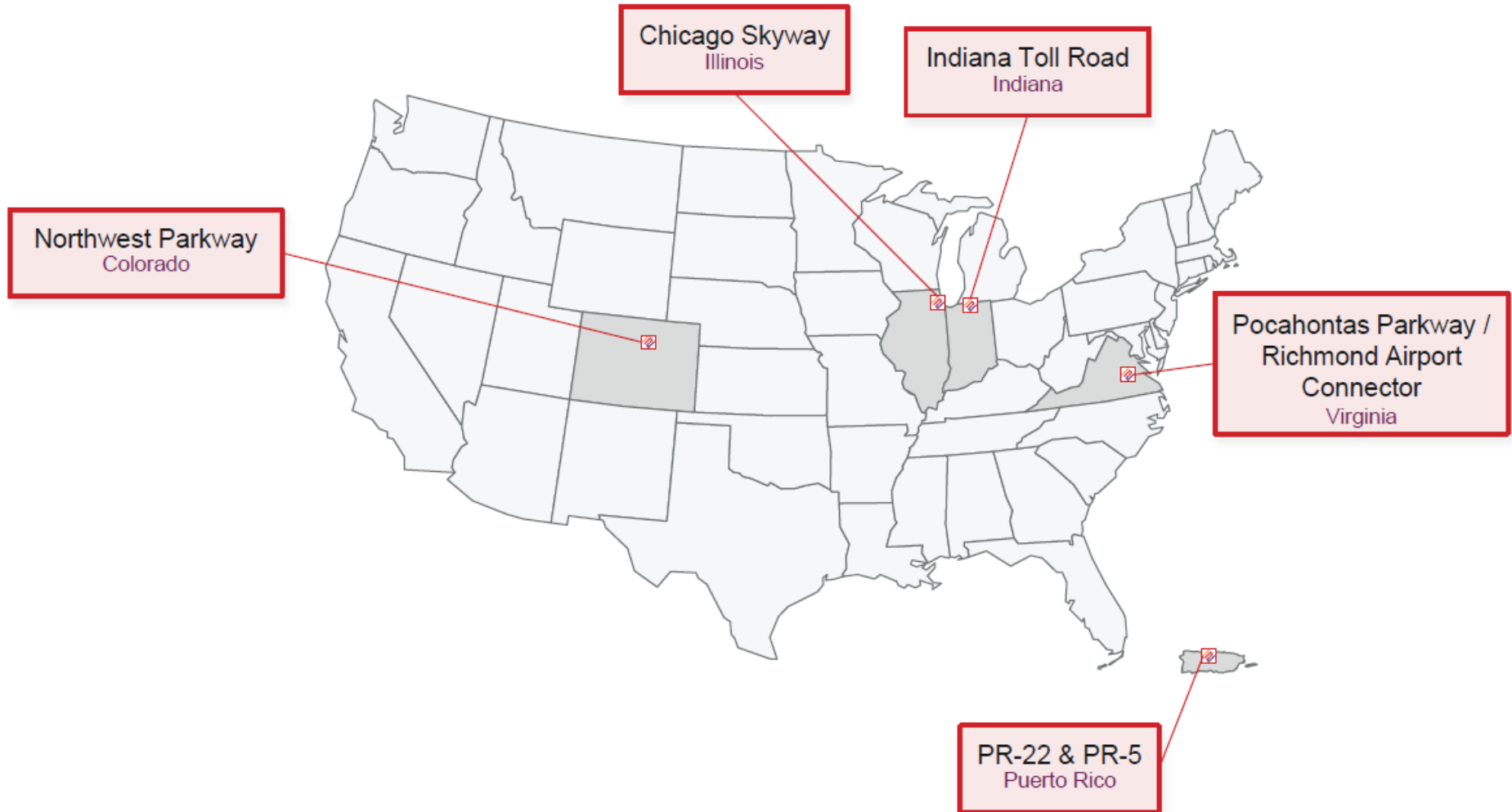
Owner	Private Parties
<ul style="list-style-type: none">▪ Designs project to 100%▪ Breaks project into biddable scopes▪ Often structured as pay-as-you-go▪ Responsible for O&M▪ Retains risk of integration, construction, performance, and revenue	<ul style="list-style-type: none">▪ Design project and perform construction under standard design and specifications▪ Conventional rights to claims and change orders

Conventional Project Delivery and When to Look for Alternatives

- P3s can offer better outcomes when one or more of the following are priorities:
 - Government financing flexibility
 - Reducing future revenue risk
 - Cost/schedule certainty
 - Accelerated completion
 - Lifecycle cost efficiencies
 - Incentives for quality facility performance
 - Private sector innovation

Surface Transportation P3 Concessions

Existing Facilities

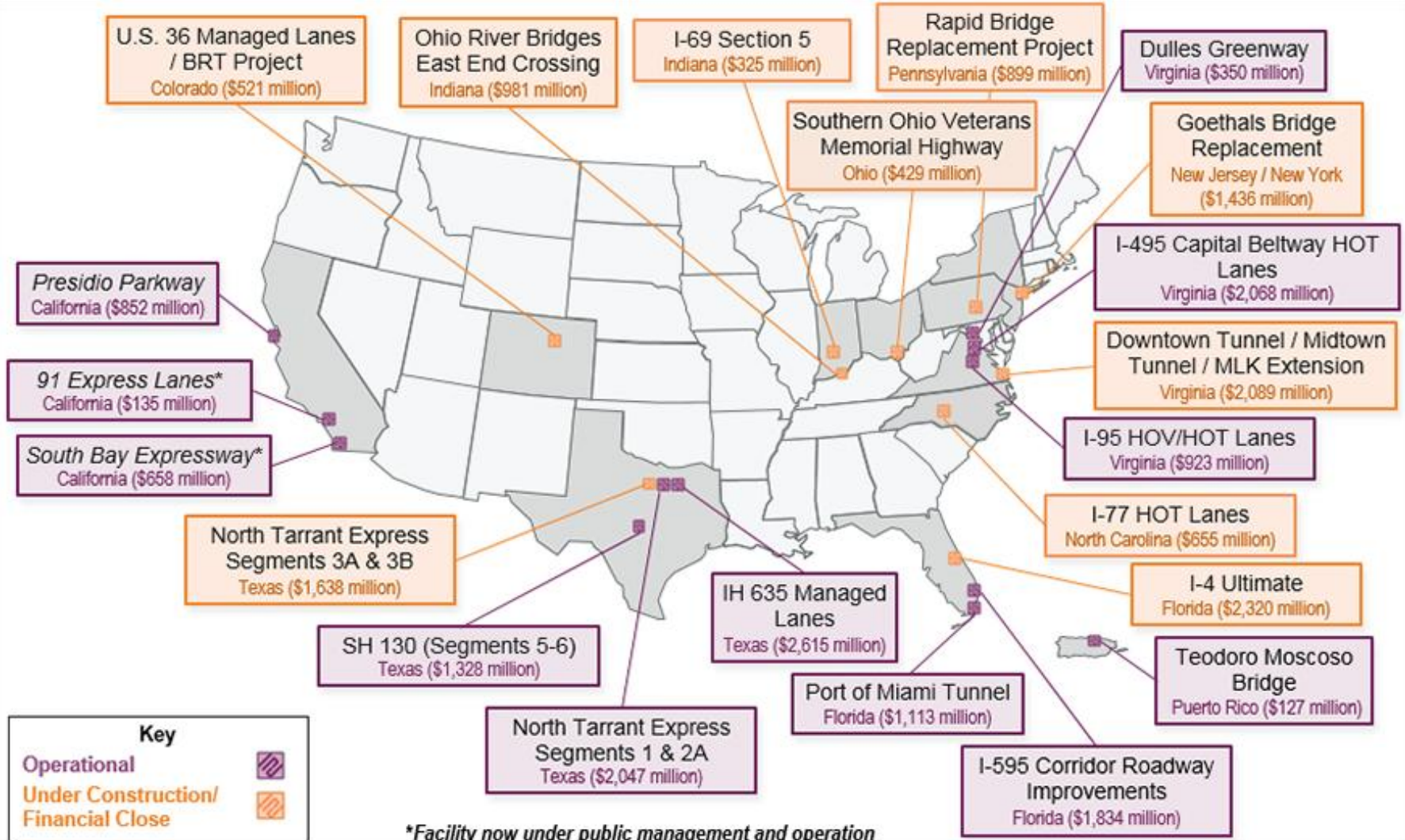


Source: Federal Highway Administration, Office of Innovative Program Delivery

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Surface Transportation P3 Concessions

New Build Facilities



Source: Federal Highway Administration, OIPD

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How can public agencies determine whether a project should move as a P3?

- Certain projects are more suitable and present a higher value-proposition under P3 delivery.

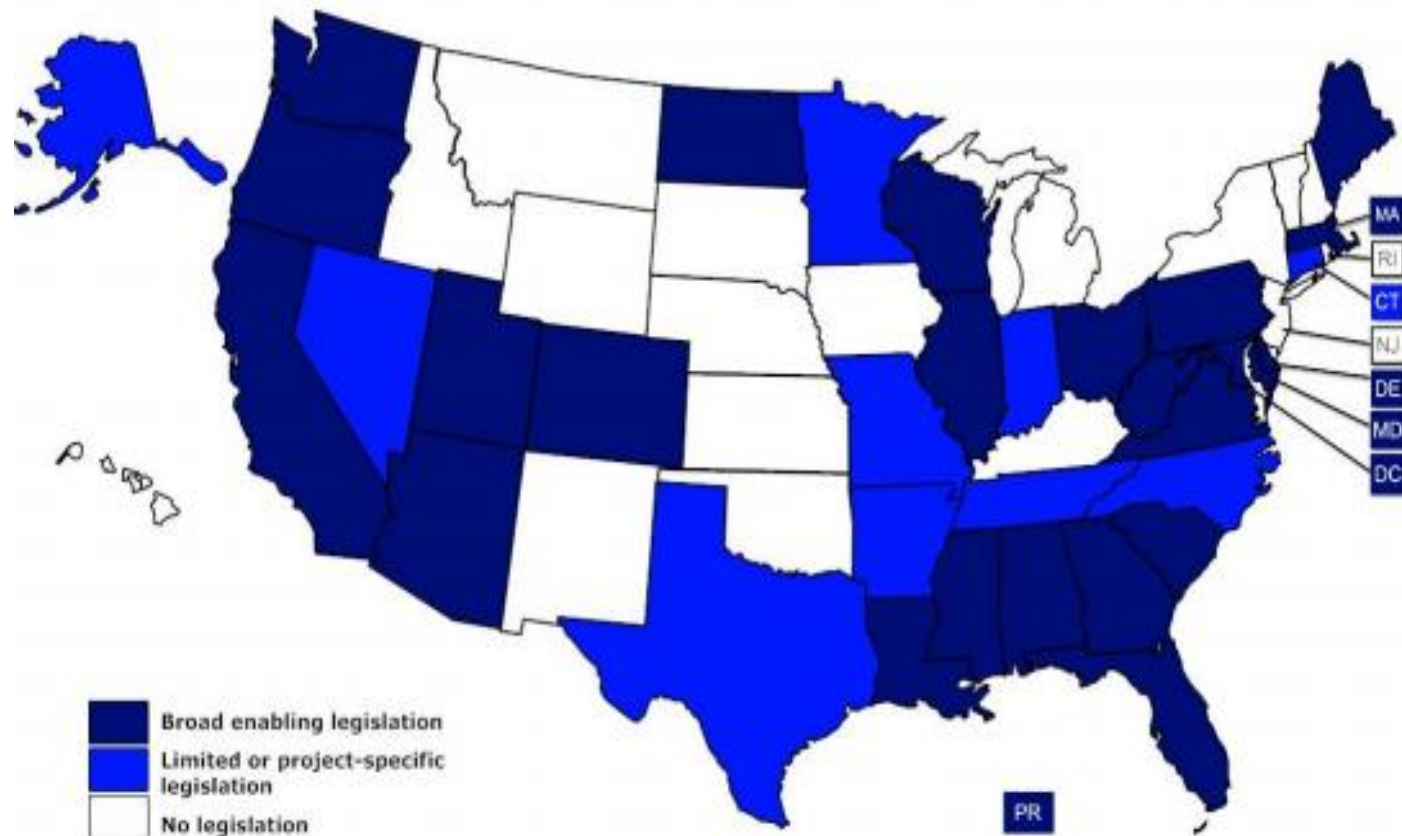
Evolution of U.S. P3 Project Selection

- U.S. has 25 years of experience with different P3 projects
- Focusing on how P3 projects have been selected for P3 delivery, we see an evolution
 - First generation: private sector project identification
 - Second generation: public sector project identification based upon project-specific suitability analysis
 - Third generation: public sector project identification based upon overall, periodic programmatic review

Goal

Create a programmatic process for incorporating P3 analysis into the planning and design stages of the project pipeline.

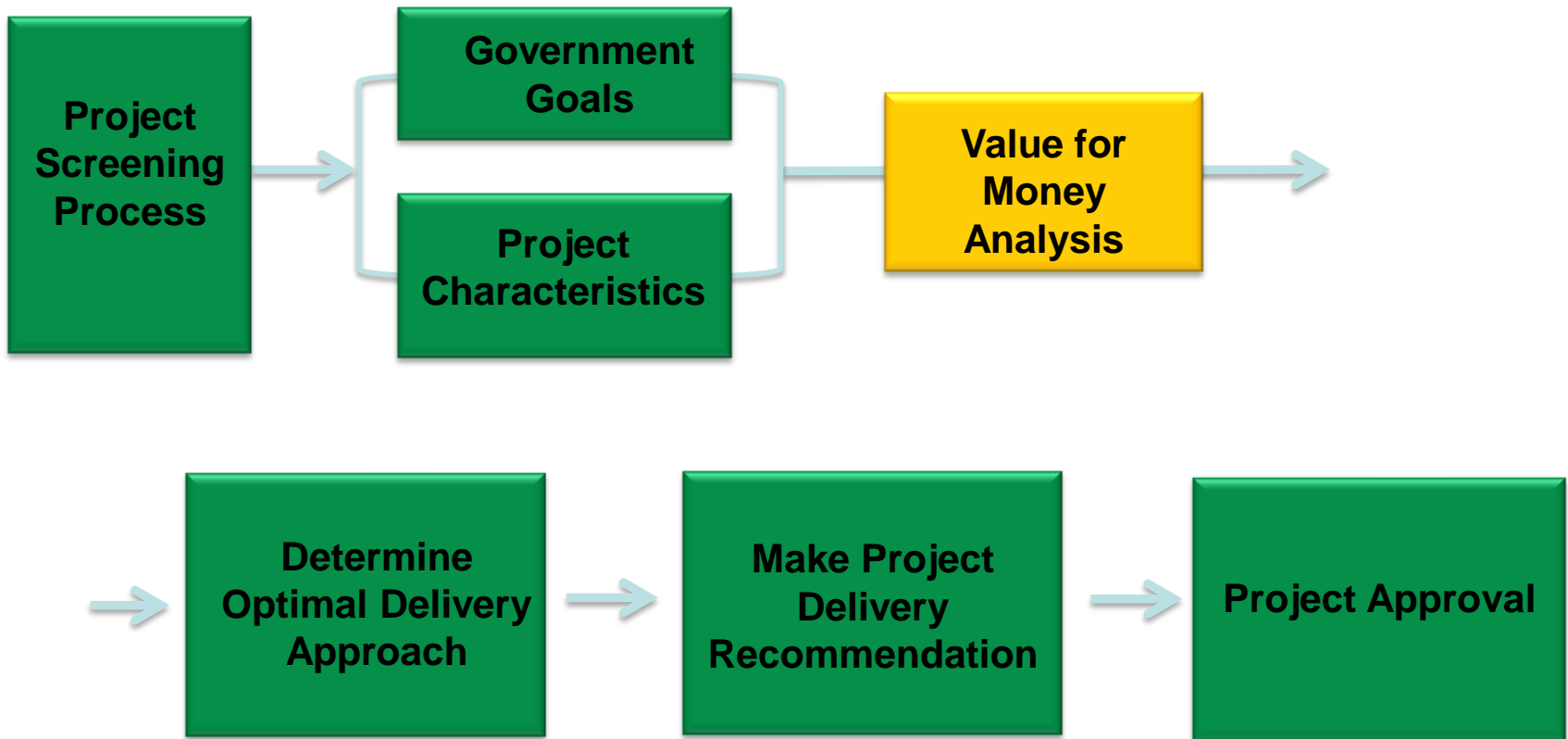
States with P3 Enabling Legislation



Source: National Conference of State Legislatures

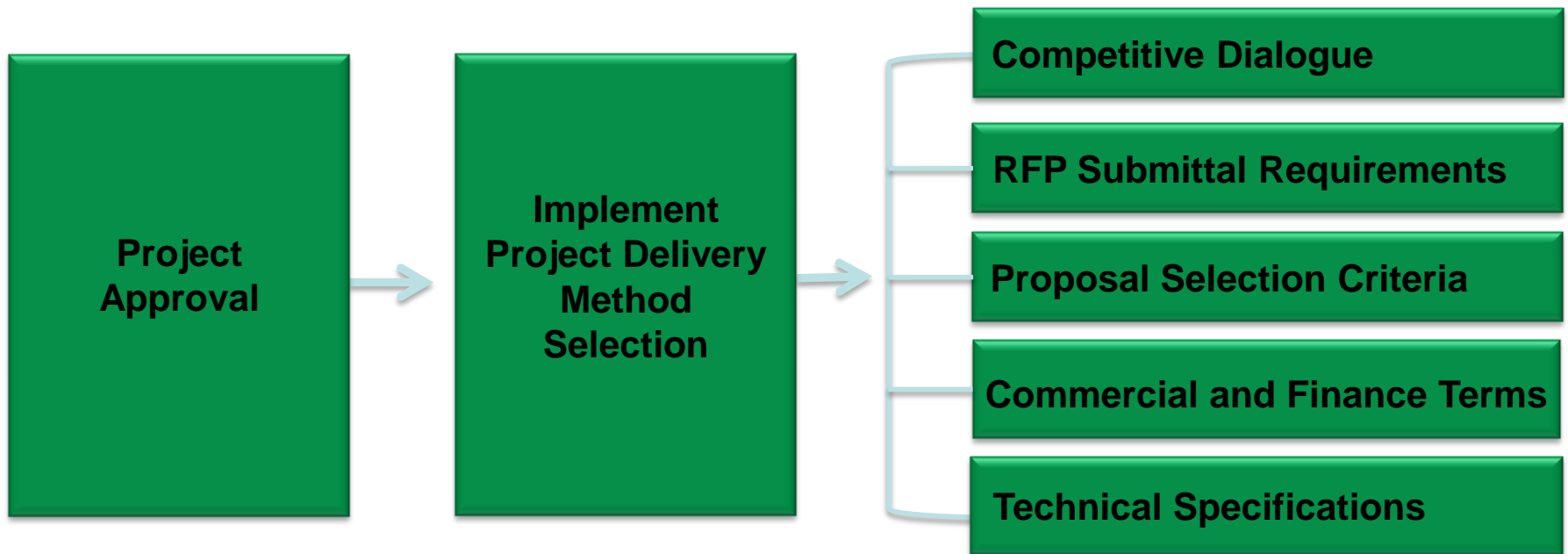
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Screen Projects Programmatically / Create Project Pipeline



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Implement Project Delivery Method



Despite the fact that the FAST Act was the largest infrastructure investment in U.S. history, challenges still remain.

Thank You

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