

# Best Practices for Public Private Partnerships

*Maryland PPP Oversight Commission  
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## Why Create a Statutory Framework?

- Creates a consistent, repeatable, predictable process for alternative project delivery
- Ensures transparency and accountability to the public
- Increases competition and value delivery
- Signals legislative support for the process
- Checks and balances to reduce project delivery problems
- Spur innovation and creative project approaches
- Separate acts for transportation and social infrastructure is desirable because of differences in project scope, cost, delivery and approvals

## PPP: Dispelling the Myths

- Not a panacea
- Not free money
- Not a finance tool
- Not secret negotiations
- Not privatization
- Not the sole purview of “big business” and “mega-contractors”

## Oversight – Striking the Balance

- Politics = Risk
- Risk = Increased Cost and Delivery Times
- Increased Cost and Delivery Times = Diminished Savings and Efficiency
- Accountability = Politics
- Appropriations = Politics

## Why Use the P3 Delivery Method?

- Seeking “best in class” project concepts and delivery
- Limit state financial participation
- Risk transfer
- Single point of responsibility/turnkey delivery
- Staff augmentation without additional bureaucracy
- Integrate alternative funding sources and methods

## Oversight – Striking the Balance

- Strict controls over accountability, transparency and conflicts should be maintained by the executive branch
- Legislative involvement should come later in the process once the project is more well developed
- Legislative involvement should relate to consultation (perhaps through a standing committee or special commission) and identification of issues that could impact long-term debt/commitments of the state
- Legislature retains ultimate power through appropriations process

## Ensuring Accountability – A P3 Office

- Establishment of a P3 office can level the playing field in negotiations – need to be seen as an “equal” in negotiations
- P3 office should act as an unbiased advocate for the P3 process and work to speed project delivery through state and local bureaucracies
- Help to set priorities among projects
- Not act as a barrier to innovative and creative project development and delivery
- Should be separated from, but linked to, executive branch agencies with regulatory and implementation responsibility

## Keys To Success

- Internal champion for project and process
- Fair and balanced contracts
- Skilled negotiators willing to say “yes” but also willing to resist political pressure and protect the state
- Tangible state participation (financial, land, etc.)
- Inclusive of public and other key stakeholders

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