Duval County Jail

February 27, 2024

“The problem is never how to get new, innovative ideas into your mind, but how to get old ones out.”

Dee Hock, founder of Visa

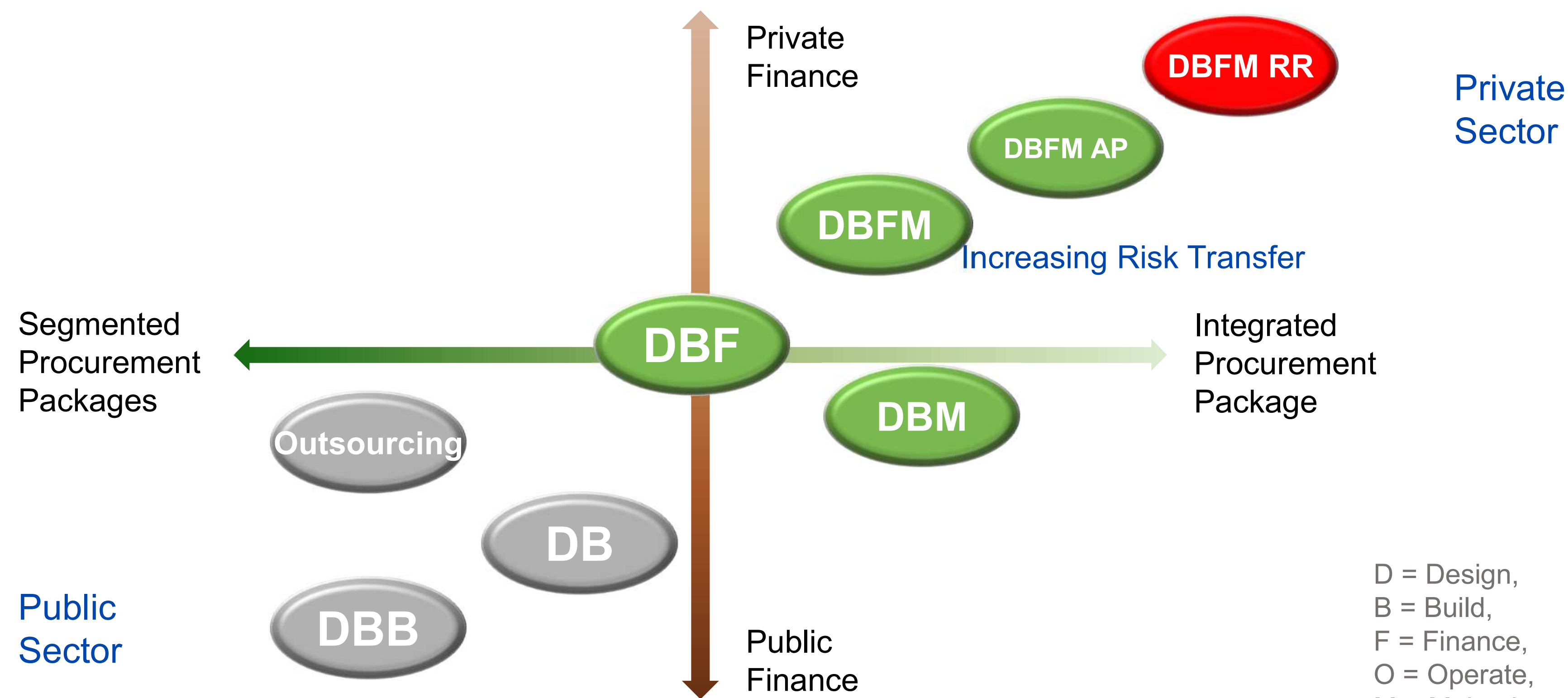
P3Direct

What is a P3?

A **P3, or Public-Private Partnership** is a delivery method that allows for better risk transfer solutions to the private sector that create greater value for the taxpayer than traditional delivery method options.

Usually in large, complex, and urgent infrastructure projects that require cost and schedule certainty, P3 delivery has demonstrated to provide greater value than traditional methods that tend to strand risk with the public sector.

Delivery methods



D = Design,
B = Build,
F = Finance,
O = Operate,
M = Maintain
AP = Availability Payment
DBB = Design, Bid, Build
RR = Revenue Risk

Benefits of a P3

- SCHEDULE DISCIPLINE
- BUDGET CERTAINTY
- COST SAVINGS
- GREATER INNOVATION
- LIFE-CYCLE MAINTENANCE
- ACCELERATED DELIVERY
- PUBLIC OWNERSHIP & CONTROL
- EFFECTIVE RISK TRANSFER
- PAYMENT FOR PERFORMANCE/ACCOUNTABILITY

AIAI
Association for the Improvement of American Infrastructure

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Buckets of Risk

DEVELOPMENT RISK	COMPLETION RISK	LIFECYCLE RISK	FUNDING RISK
Land Acquisition	Design	Maintenance/Repair	Revenue (Sources)
Entitlement	Cost	Energy Usage	
Permitting/Environmental	Schedule		
	Site Conditions		

THREE THINGS YOU CAN DO WITH RISK

1. Retain
2. Transfer
3. Eliminate/Mitigate

Risk Transfer by Project Delivery

Risk	Design-Bid-Build	Design-Build	DBF (Build-to-Suit)	DBFOM-P3 (Availability)	DBFOM-P3 (Demand Risk)
Land Acquisition	Public	Public	Private	Private	Private
Scope Changes (owner requested)	Public	Public	Public	Public	Public
Environmental Approvals	Public	Public	Shared	Shared	Shared
Permits/Entitlements	Public	Public	Private	Private	Private
Utility Relocation	Public	Shared	Private	Private	Private
Design Errors & Omissions	Public	Shared	Private	Private	Private
Subsurface Conditions	Public	Public	Shared	Shared	Shared
Environmental Contamination	Public	Shared	Shared	Shared	Shared
Construction (cost/schedule overrun)	Shared	Private	Private	Private	Private
Labor Disputes	Public	Private	Private	Private	Private
FF&E Cost/Coordination	Public	Public	Private	Private	Private
Technology Integration & Performance	Public	Shared	Private	Private	Private
Commissioning/Startup	Public	Shared	Private	Private	Private
Maintenance/Lifecycle Cost	Public	Public	Shared	Private	Private
Energy Performance	Public	Public	Shared	Private	Private
Financing	Public	Public	Shared	Private	Private
Interest Rate/Credit Spread	Public	Public	Public	Public	Public
Force Majeure	Public	Shared	Shared	Shared	Shared
Revenue/Financial Performance	Public	Public	Public	Public	Private

“Projects don’t go wrong. They start wrong.”

Bent Flyvbjerg, Oxford Professor and author of How Big Things Get Done

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FRS §255.065 *et seq.* (pending S0870 & H0781 changes to unsolicited proposal process)

(b) "Develop" means to plan, design, finance, lease, acquire, install, construct, or expand

(f) "Operate" means to finance, maintain, improve, equip, modify, or repair.

(i) "Qualifying project" means:

1. A facility or project that serves a public purpose, including, but not limited to, any ferry or mass transit facility, vehicle parking facility, airport or seaport facility, rail facility or project, fuel supply facility, oil or gas pipeline, medical or nursing care facility, recreational facility, sporting or cultural facility, or educational facility or other building or facility that is used or will be used by a public educational institution, or any other public facility or infrastructure that is used or will be used by the public at large or in support of an accepted public purpose or activity;

2. An improvement, including equipment, of a building that will be principally used by a public entity or the public at large or that supports a service delivery system in the public sector;

3. A water, wastewater, or surface water management facility or other related infrastructure; or

4. Notwithstanding any provision of this section, for projects that involve a facility owned or operated by the governing board of a county, district, or municipal hospital or health care system, or projects that involve a facility owned or operated by a municipal electric utility, only those projects that the governing board designates as qualifying projects pursuant to this section.

(6) INTERIM AGREEMENT.—Before or in connection with the negotiation of a comprehensive agreement, the responsible public entity may enter into an interim agreement with the private entity proposing the development or operation of the qualifying project. An interim agreement does not obligate the responsible public entity to enter into a comprehensive agreement. The interim agreement is discretionary with the parties and is not required on a qualifying project for which the parties may proceed directly to a comprehensive agreement without the need for an interim agreement. An interim agreement must be limited to provisions that:(a) Authorize the private entity to commence activities for which it may be compensated related to the proposed qualifying project, including, but not limited to, project planning and development, design, environmental analysis and mitigation, survey, other activities concerning any part of the proposed qualifying project, and ascertaining the availability of financing for the proposed facility or facilities.

(b) Establish the process and timing of the negotiation of the comprehensive agreement.

(c) Contain such other provisions related to an aspect of the development or operation of a qualifying project that the responsible public entity and the private entity deem appropriate.