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AIAI APPLAUDS TEXAS FOR ESTABLISHING P3 CENTER OF EXCELLENCE

*Passage of Texas House Bill 2475 establishes a P3 Center of Excellence
which will streamline infrastructure improvements in the state*

New York, NY, June 26, 2015 – Texas Governor Greg Abbott signed House Bill 2475 into law on June 19, 2015, establishing the Center for Alternative Finance and Procurement, a Texas P3 Center for Excellence. The law will go into effect September 1.

Centers of Excellence for Public-Private Partnerships are widely used internationally as sources of education and guidance for government officials considering the use of these partnerships. “The uses of Centers of Excellence have a demonstrable impact on the success of this alternative project delivery model” notes Rodney L. Moss, Senior Vice President and Regional Managing Director, Aon Risk Services and Chair of AIAI’s Law and Legislation Committee. “For example, Canada has implemented more than 200 P3s with the aid of Centers of Excellence whose involvement in the procurement process has resulted in recommendations for the most effective and appropriate procurement model being presented to public officials for a final decision.”

Moss was called upon to provide testimony to the Texas State Legislature. He endorsed the creation of the Center of Excellence and shared his broad perspective on why such a Center is an important consultative service to facilitate success in a state’s P3 program and how the Center can be best implemented.

The Texas Legislature began addressing the use of public-private partnerships in 2011 with the passage of a law which was supposed to institute a statewide, uniform process for P3s. By some accounts, the law failed to generate the pipeline of projects that the private sector expected and did not meet the anticipated needs of the public. After the 2013 session, the Texas House published a report after a series of interim hearings concluding that “what is needed is a non-partisan, expert-oriented group of people who understand P3s inside and out, and can make solid recommendations without worry.”

“Texas appeared to be a leader in the public-private partnership movement when it passed the 2011 law,” said Rodney Moss. However, Texas stumbled out of the gate with unsolicited projects, including a proposed 47-story tower in the state capitol complex that prompted a backlash when legislators returned to Austin in 2013. “None of that would have happened with a Center of Excellence” Moss said.

The Texas Center for Alternative Finance and Procurement will be a select group of alternative finance professionals with P3 experience established for the purpose of assisting public sector entities in meeting public infrastructure needs through public-private partnerships. Initial funding will be limited from the State, but grow as the Center charges fees for its services from units of government and developers utilizing its services in the development of projects.

AIAI maintains that the Texas Center for Alternative Finance and Procurement, the Nation’s first P3 Center of Excellence, is a testament to developing and implementing meaningful infrastructure programs in the United States. Models such as the Texas Center of Excellence should be examined and replicated in order to streamline much needed change. AIAI is a champion for Public-Private Partnerships and applauds the State of Texas for its leadership and its vision for the future.

PRESS RELEASE

ABOUT AIAI

AIAI - the Association for the Improvement of American Infrastructure is a non-profit organization formed to help shape the direction of the national Public Private Partnership marketplace. AIAI serves as a national proponent to facilitate education and legislation through targeted advocacy. AIAI maintains that effective and well-planned education can provide civic leaders with the knowledge they need to make informed decisions about the benefits of public private partnerships: economic development, life cycle cost savings, risk transfer and accelerated project delivery.

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