



Association for the Improvement
of American Infrastructure

P3 Snapshot: **Tennessee**

SUMMARY OF P3 LEGISLATIVE STATUS:

Tennessee has limited P3 procurement authority, specifically applied to transit facilities.

1. **Does this state have broadly enabling P3 legislation?**
The state has specific procurement authority for mass transit capabilities. There are no specific provisions for municipal facilities or environmental projects using alternative project delivery methods.
2. **Does the state allow for **Unsolicited Proposals**?**
Current statutory authority allows for submission and consideration of unsolicited proposals for P3s for eligible (e.g., mass transit) infrastructure projects.
3. **What is the state's P3 **Review Process**?**
Competitive, solicited bids, for traditional procurement practices.
4. **Does the state have a **Centralized Agency** dedicated to P3?**
There is no centralized agency which controls alternative project delivery.
5. **Is this a **Home Rule state**, with limitations or opportunities for P3?**
Tennessee is a Home Rule state, though Dillon's Rule does not apply to all cities or counties.
6. **Does this state have programmatic requirements for P3 participation (ie MWDBE or labor)?**
Partnership contracts may also include a requirement for TN law requires payment and performance bonds in compliance with the DOT's bonding law or a letter of credit for the development or redevelopment of the project. While not related to P3 procurements, any funding covenants will stipulate compliance with MWDBE participation (i.e., Federal funding requirements). Davis-Bacon governs prevailing wage for applicable labor categories.
7. **Are P3 projects in this state eligible for other financing programs?**
Eligible state transit projects may apply for TIFIA financing support. Water projects may be eligible for WIFIA financing support; but there are no comparable private investment provisions for water-related projects.
8. **What Projects or Asset Classes are eligible for P3 in this state?**
The law authorizes Tennessee, counties and municipalities to enter into P3s for mass transit system projects: intended for shared passenger transport services to the general public, together with any building, structure, appurtenance, utility, transport support facility, transport vehicles, service vehicles, parking facility, or property needed to operate or provide connectivity to any other non-mass transit system infrastructure.
9. **Are there Projects where the P3 procurement method has been applied?**
There have not yet been procurements utilizing P3s.
10. **What is the legislative foundation for P3s in this state?**
*Tenn. Code Ann. §54-1-119
Tenn. Code Ann. §§54-3-101 to 113
Tenn. Code Ann. §§54-23-101 to 121*

D: Design | **B:** Build | **F:** Finance | **O:** Operate | **M:** Maintain