



## **BEST PRACTICES BRIEF**

### *for Public Private Partnerships*

## **CENTRAL REVIEW**

### **CENTERS OF EXCELLENCE**

Public entities may not have ready access to the breadth of requisite knowledge or experience to assess the viability of a proposed public infrastructure project. A dedicated resource that is available to public entities, for the purpose of reviewing potential P3 procurements, allows for the sharing of pertinent experiences, best practices, lessons learned and effective strategies for initial review, pre-screening and subsequent planning, procurement, operations and maintenance phases of public infrastructure projects. Leveraging sector-specific expertise and experience in managing public private partnerships facilitates repeated success in future P3 projects.

A central resource, with knowledge of effective public private partnership strategies and awareness of the technical and engineering requirements for an asset class being reviewed can better assess the viability of a proposed project for alternative delivery. This assessment can determine if a P3 procurement is in the best interest of the public, meets industry standards and demonstrates technical and fiscal merits.

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### **AIAI BEST PRACTICES RECOMMENDATION**

In order for public entities to effectively assess and manage P3 projects, a central review resource should be established, comprised of individuals who possess the requisite technical knowledge, financial expertise and public policy experience.

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### **AIAI Position**

Centers of excellence facilitate cross-agency and intergovernmental communication and collaboration for both public and private sector stakeholders. This model enables and encourages planners and advisors to work together, in a cooperative fashion, with the advantages of fully integrated plans and vision. This allows for innovation through the combination of capacity and efficiencies of individual public assets, which likely would not otherwise occur, and often create greater value of the larger system of integrated public infrastructure.

### **P3 centers of excellence streamline infrastructure decision making at the state level and implement best practices for successful procurement and project delivery**

This innovative model of engagement allows for clear and transparent processes, institutionalizing and standardizing protocols within state procurement frameworks. Addressing affordability evaluations, pre-screening assessments and procurement decision-making will help further enable public agencies to create viable, sustainable markets for public infrastructure investment and development. Centers of excellence also provide private sector participants with a pipeline of opportunities and a clear roadmap for success.

### **Summary**

The Public Private Partnership structure is an effective means of delivering capital projects for the public sector, by the private sector partner, and to the benefit of taxpayers. The P3 model provides opportunities for the public entity to engage highly qualified, creative and innovative teams to deliver their project. States that implement and put in place a center of excellence, not as oversight, but as a resource for quality processes and procurement best practices, are well positioned to achieve quality results in alternative project delivery to meet the needs of the public they serve.