



**Public Private Partnerships
Requirements and Experiences
2007 Summer Meeting
AASHTO Highway Subcommittee on Construction**

July 30, 2007

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Route 895 PPTA

DBF 1998 - 2002, FOM 2006 - 2105



VDOT Past, Present and Future

- **Nationwide Trends Reflected in Virginia
1987 – 2006 Funding and Needs**
 - **Reliance on Federal Funds increased**
 - **Buying power diminished**
 - **Transportation needs increased**
 - **Availability of private money increased**

Toll Roads and Free Roads

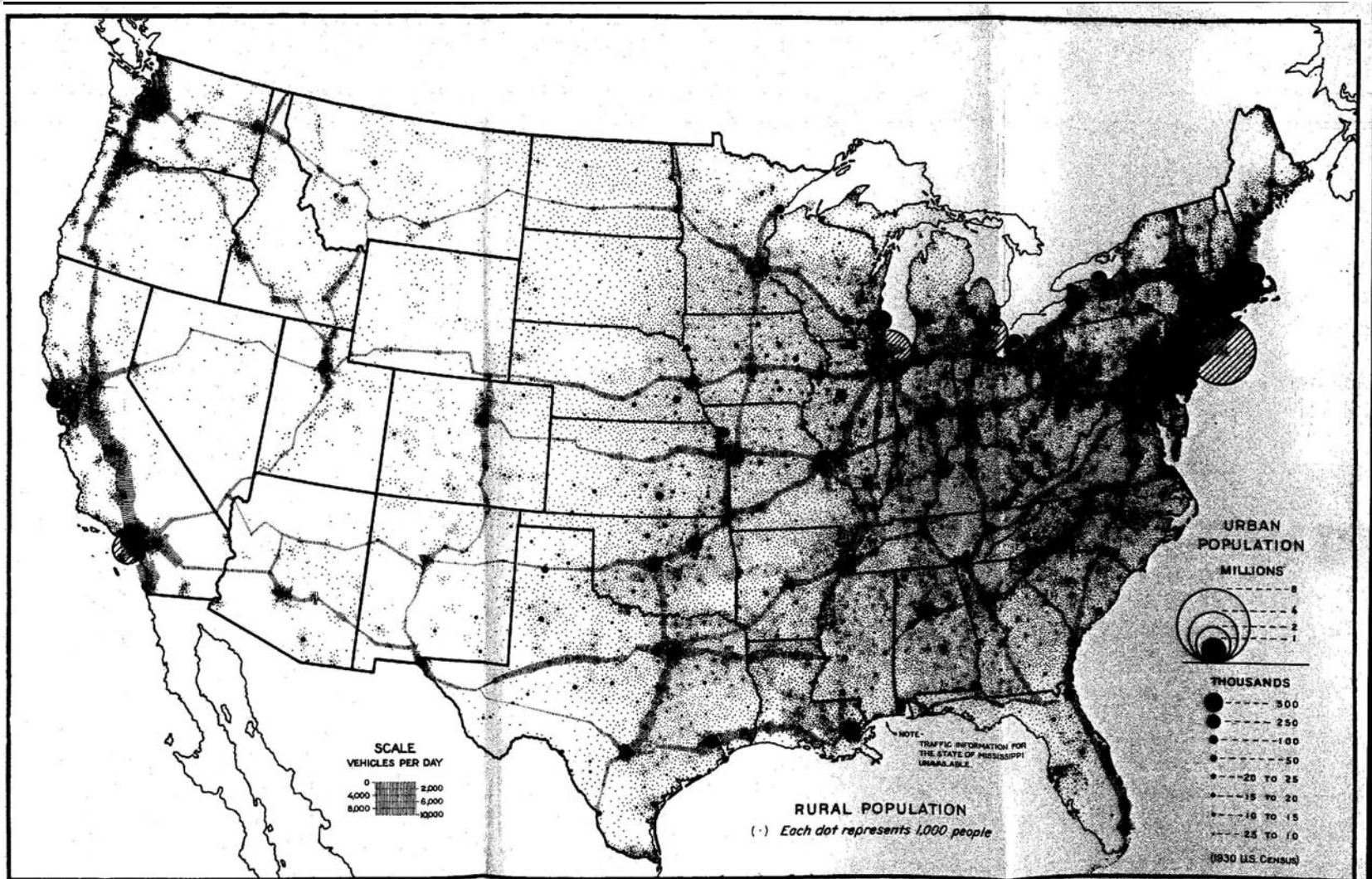
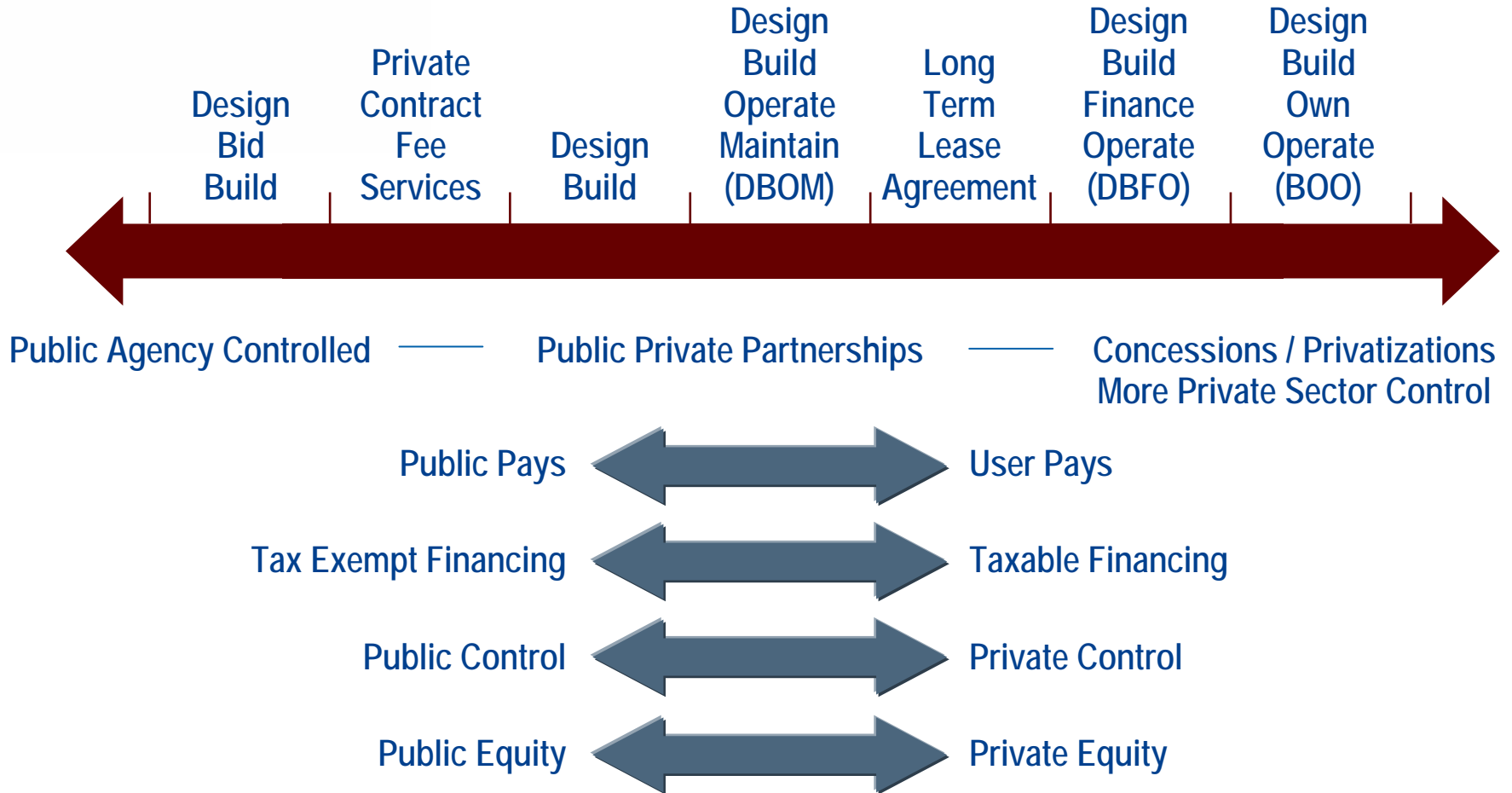
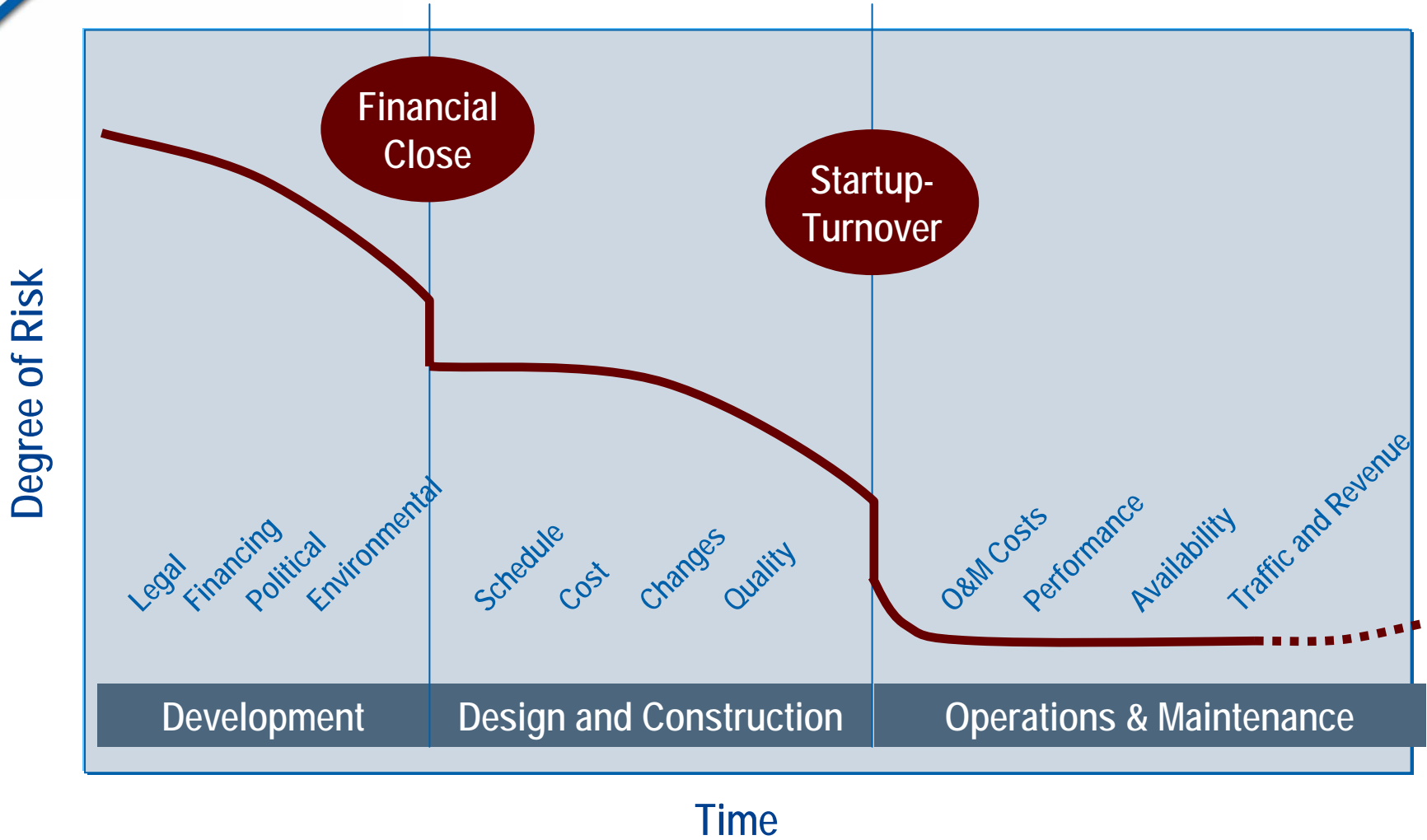


PLATE 58.—A comparison of population density and average daily traffic on existing routes tentatively selected as approximating the lines of a proposed interregional highway system.

Project Delivery Options



Project's Life Cycle Risk Profile



VDOT Past, Present and Future

- **100 years of tradition 1906-2006:**
 - Most VDOT work by design-bid-build
 - Means and methods
 - Design-Bid-Build is VDOT's most common project delivery method
- **Interstate outsourcing by 2009**
- **Match delivery method to project needs**
 - D-B-B and DB and P3 are fundamentally different
 - Public-Private Partnerships will help, but cannot save us

How does Owner assure quality?

Traditional

- Contractor QC – Owner QCQA IAIV [CEI 10 – 20% \$CN]

Design-Build

- Contractor QCQA – Owner IAIV [CEI 3 ~ 4%? \$CN]

Public-Private Partnership

- Contractor QCQA – Independent Engineer IA – Owner IV [CEI ~ 2%? \$CN]

- Minimum Requirements for Contractor QCQA
- Minimum Requirements for Owner IAIV

P3 Responsibilities and Risks

Concessionaire

- Finance
 - Costs
 - [Revenues]
- Design
- Construction
- Operations
- Maintenance
- Life-cycle costs

Owner

- Public purpose
- NEPA process
- Scope
- Oversight
 - Compliance with standards and contract
- O&M after end of contract

Conclusions / Recommendations

- You'll get what you contract for
- Coordinate with the FHWA [23 CFR 635.105 / 637]
- Adjust oversight to reflect life-cycle risks and to optimize efficiency among two or three parties
- Direct your program
 - Identify objectives
 - Provide resources
 - Competitive process
- Communicate
 - Executive branch
 - Legislative branch
 - DOT
 - Successes

VDOT's P3 Program

Additional Information

VDOT Innovative Project Delivery Division Website:
<http://www.virginiadot.org/business/bu-ipd.asp>

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(2002)

