The use of Public–Private Partnerships (P3s) marks a shift away from traditional modes of procuring and financing highway projects. Under the P3 model, a private partner may participate in some combination of design, construction, financing, operations, and maintenance, including collection of toll revenues.

The Federal Highway Administration’s (FHWA’s) Office of Innovative Program Delivery (IPD) produced a P3 Toolkit comprising tools and guidance documents to assist in educating public sector policymakers, legislative and executive staff, and transportation professionals. The P3 Toolkit forms the base of a broader P3 capacity-building program, which includes a curriculum of P3 courses and Webinars. The P3 Toolkit addresses Federal requirements related to P3s and four key phases in P3 implementation:

1. Legislation and Policy;
2. Planning and Evaluation;
3. Procurement; and
4. Monitoring and Oversight.

P3 Evaluation Tools serve as references for decisionmakers and practitioners seeking to understand P3s as a financing and delivery alternative for major capital projects.

Practitioners can use P3-VALUE to better understand the concepts, inputs, key assumptions, and outputs from evaluations of risk, financial feasibility, and “value for money” analyses.

Quick Facts

The P3 Toolkit comprises tools and guidance documents to assist in educating public sector policymakers, legislative and executive staff, and transportation professionals.

P3 Evaluation Tools serve as references for decisionmakers and practitioners seeking to understand P3s as a financing and delivery alternative for major capital projects.

Practitioners can use P3-VALUE to better understand the concepts, inputs, key assumptions, and outputs from evaluations of risk, financial feasibility, and “value for money” analyses.

Contact

Patrick DeCorla-Souza
202-366-4076
patrick.decorla-souza@dot.gov
www.fhwa.dot.gov/ipd/p3/toolkit/

© 2017 USDOT FEDERAL HIGHWAY ADMINISTRATION

(continued on side 2)
THE P3-VALUE 2.0 ANALYTICAL TOOL
Practitioners can use P3-VALUE 2.0 to better understand the concepts, inputs, key assumptions, and outputs from evaluations of risk, financial feasibility, "value for money," and project delivery benefit–cost analyses. P3-VALUE 2.0 includes a training module designed to educate the user, as well as a module that may be used by practitioners for high-level screening evaluation of actual projects. The complexity of the detailed-level analyses required for later stages of project development for specific projects requires that the analyses be done by experts using more detailed modeling. The four components of the training module are outlined as follows:

1. Risk Assessment (RA): This component assists the user in understanding the process used in identifying, defining, valuing, and allocating risks. Aggregate risk value output data from this component are used as inputs into the Value for Money (VfM) analysis described next.

2. Value for Money (VfM) Analysis: This component assists the user in understanding the process used in undertaking a VfM analysis.

3. Project Delivery Benefit–Cost Analysis (PDBCA): This component assists the user in understanding the process used in estimating the societal net benefits that may be achieved by delivering a project as a P3, including the benefits of accelerating the project.

4. Financial Analysis (FA): This component assists the user in understanding the process used in evaluating financial viability, including identification of required financial subsidies, under both conventional and P3 procurement.

PROGRAM AREAS OF THE CENTER FOR INNOVATIVE FINANCE SUPPORT

The Center for Innovative Finance Support provides a one-stop source for expertise, guidance, research, decision tools, and publications on program delivery innovations. Our Web page, workshops, and other resources help transportation professionals deliver innovation.

PUBLIC–PRIVATE PARTNERSHIPS
The Center for Innovative Finance Support’s P3 program focuses on the potential of design–build–operate–finance–maintain (DBFOM) concessions funded through tolls or availability payments to reduce project cost, improve quality outcomes, and provide additional financing options.

ALTERNATIVE PROJECT DELIVERY
The Center for Innovative Finance Support’s Alternative Project Delivery Program provides information on contractual arrangements that allow for greater private participation in infrastructure development by transferring risk and responsibility from public project sponsors to private sector engineers, contractors, and investors.

PROJECT FINANCE
The Center for Innovative Finance Support’s project finance program focuses on alternative financing, including state infrastructure banks (SIBs), grant anticipation revenue vehicles (GARVEEs), and Build America Bonds (BABs).

TOLLING AND PRICING
The Center for Innovative Finance Support’s Federal tolling and pricing program focuses on the use of tolling and other road user charges as a revenue source to fund highway improvements and the use of variably priced tolls as a tool to manage congestion.

VALUE CAPTURE
The Center for Innovative Finance Support’s Value Capture Strategies explores strategies for tapping into the added value the transportation improvements bring to nearby properties as a means to provide new funding for surface transportation improvements.