

CH2MHILL®

From Governing to Governance:
*Partnering for Innovation and
Service Delivery*

Defining PPP



What is a public-private partnership?

A public-private partnership is a **contractual agreement** between a **public agency** and a **private-sector entity**. Through this agreement, the **skills and assets** of each sector **are shared** in delivering a service or facility for the use of the general public. In addition to the sharing of resources, **each party shares in the risks and rewards** potential in the delivery of the service and/or facility.

source: www.ncppp.org

What services do you currently contract or are you considering partnering?

- Public works/infrastructure (water, wastewater, solid waste)
- Community development (building permits, plan review, code enforcement)
- Administrative management (human resources, finance)
- Public safety
- Social services

What are the motivators for partnering?

- Cost savings
- Improved efficiency
- Political will
- Aging workforce
- Regulatory compliance

What are the barriers to partnering?

- Organizational culture
- Experience managing partnerships
- Stakeholder support
- Statutory environment

Myths & FACTS



Myth

Public sector loses control in a PPP

PPPs decrease the quality of service

Fact

Contract provisions and continual monitoring by the public sector can actually provide greater control (remember who owns the asset)

Actually improve service as a result of contract provisions and greater management skills of the private sector

Myth

PPPs cost more because of the higher cost of private financing vs. tax-free municipal funding

Public employees lose their jobs in a PPP

Fact

When a value for money analysis is done, PPP can actually save a substantial amount when long-term operations and maintenance are included

They are often either protected or allow to transfer to the private sector, with full benefits retained

Foundational SKILLS



Interpersonal understanding

- Understands emotion, content meanings, and complex underlying issues

Teamwork cooperation

- Cooperates, shares information, solicits input, empowers others

Team leadership

- Manages meetings, uses authority fairly, promotes team effectiveness, positions self as leader

Flexibility

- Adapts to situations, makes organizational adaptations

KEYS to Successful PPPs



First Steps

- Create a team to manage the entire process (including long-term oversight of the project)
- Clearly define the objective
- Do a public sector comparator
- Develop an RFP with performance specifications (not design specifications)
- Compare the PSC with bids and evaluate the options

Seven Keys to Successful PPPs

- 1 **Public sector champion**
- 2 **Statutory environment**
- 3 **Organized structure**
- 4 **Detailed business plan**
- 5 **Guaranteed revenue stream**
- 6 **Stakeholder support**
- 7 **Pick your partner carefully**

BEYOND the contract



TEAMWORK

TRUST
RESHARE
ONLINE
ORATE
KNOW

From contracts to collaboration

Formal Accountability



Meeting the official expectations,
terms of the contract

Informal Accountability



Meeting the unofficial expectations
of contract partners

Source: Romzek and Goodyear, KU-CH2M HILL Conference on Collaboration, April 2012

Beyond Structure Informal Accountability

- Important complement to formal accountability
- Loosely structured interaction
- Interpersonal relationships
- Elements of self-governance
 - Norms and performance expectations developed and reinforced through repeated interactions
- Informal monitoring

Model of informal accountability



Adapted from Barbara Romzek, Kelly LeRoux and Jeannette Blackmar, "A Preliminary Theory of Informal Accountability Among Network Organizational Actors," *Public Administration Review*, 2012

QUESTIONS & answers



More Info



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