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

**Fact**

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

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**Myth**

PPPs decrease the quality of service

**Fact**

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
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

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