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 privatesector 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

Fact

Public sector loses control in a PPP

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

PPPs decrease the quality of service

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

Myth

Fact

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

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

Public employees lose their jobs in a PPP

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 longterm 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

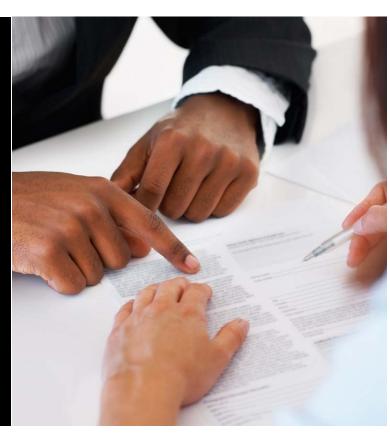
Public sector champion Statutory environment Organized structure Detailed business plan Guaranteed revenue stream Stakeholder support Pick your partner carefully

Seven Keys to Successful PPPs

BEYOND the contract

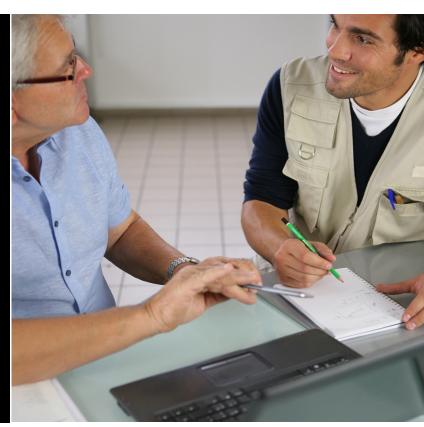


From contracts to collaboration



Meeting the official expectations, terms of the contract

Informal Accountability



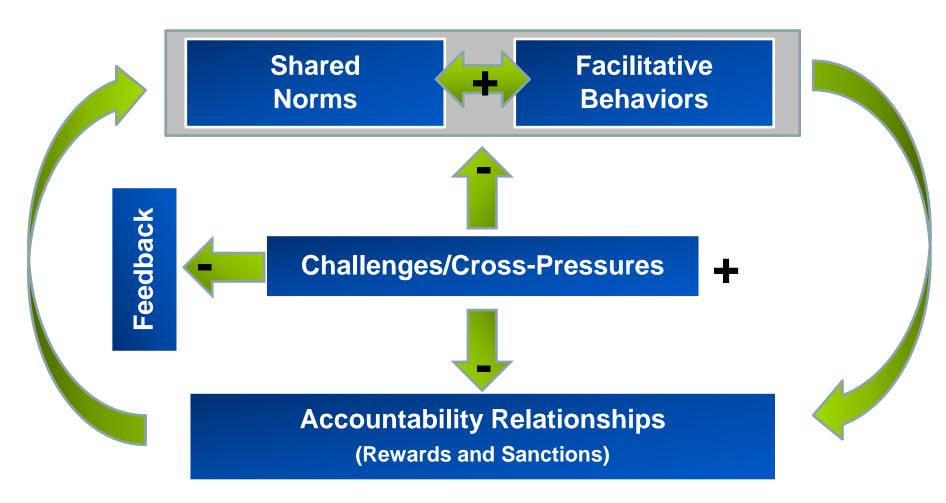
Meeting the unofficial expectations of contract partners

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

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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