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**Public-Private Education Facilities and Infrastructure  
Act of 2002**

**Model Guidelines**

**REVISED**

**September 30, 2005 September 30, 2006**

**Public-Private Education Facilities and Infrastructure Act of 2002  
Model Guidelines**

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**I. Introduction**

The Public-Private Education Facilities and Infrastructure Act of 2002 (the “PPEA”) grants responsible public entities the authority to create public-private partnerships for the development of a wide range of projects for public use if the public entities determine there is a need for the project and that private involvement may provide the project to the public in a timely or cost-effective fashion. The PPEA defines "responsible public entity" to include any public entity that “has the power to develop or operate the applicable qualifying project.” Individually negotiated interim or comprehensive agreements between a private entity and a responsible public entity will define the respective rights and obligations of the responsible public entity and the private entity.

In order for a project to come under the PPEA, it must meet the definition of a "qualifying project." The PPEA contains a broad definition of qualifying project that includes public buildings and facilities of all types; for example:

- (i) An education facility, including but not limited to a school building (including any stadium or other facility primarily used for school events), any functionally related and subordinate facility and land to a school building and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education;
- (ii) A building or facility that meets a public purpose and is developed or operated by or for any public entity;
- (iii) Improvements, together with equipment, necessary to enhance public safety and security of buildings to be principally used by a public entity;
- (iv) Utility and telecommunications and other communications infrastructure;
- (v) A recreational facility;
- (vi) Technology infrastructure, including but not limited to telecommunications, automated data processing, word processing and management information systems, and related information, equipment, goods and services; or
- (vii) any improvements necessary or desirable to any unimproved locally- or state-owned real estate.

1 The PPEA establishes requirements that the responsible public entity must adhere  
2 to when reviewing and approving proposals received pursuant to the PPEA. In addition,  
3 the PPEA specifies the criteria that must be used to select a proposal and the contents of  
4 the interim or comprehensive agreement detailing the relationship between the  
5 responsible public entity and the private entity.

6  
7 In passing the legislation, and following subsequent amendments to the Act in  
8 | 2005 ~~and 2006~~, the General Assembly directed the Governor and the chairs of the House  
9 and Senate Committees on General Laws to facilitate the development of model  
10 guidelines to assist in the implementation of the PPEA. The respective governing body  
11 of the public entity must first adopt guidelines that it will follow to receive and evaluate  
12 any proposal submitted to the public entity under the provisions of the PPEA. Such  
13 guidelines shall be made publicly available. The guidelines adopted by the public entity  
14 should designate an individual to serve as the point of contact to receive proposals  
15 submitted under the PPEA and to respond to inquiries regarding the PPEA or the  
16 guidelines. The guidelines may also contain provisions for an accelerated  
17 documentation, review, and selection process for proposals involving a qualifying project  
18 that the responsible public entity deems a priority.

19  
20 Because the PPEA is intended to encourage innovative partnerships between  
21 responsible public entities and private entities, public entities are encouraged to maintain  
22 an open dialogue with private entities to discuss the need for infrastructure  
23 improvements.

24  
25 The following model guidelines have been developed to assist public entities in  
26 adopting guidelines to guide the implementation of the PPEA. The guidelines are  
27 intended to serve as a general guide for the implementation of the PPEA. Each public  
28 body has the flexibility to include provisions not contained in the model guidelines so  
29 long as the provisions comply with the PPEA. The complete text of the PPEA has been  
30 included in the Appendix to these model guidelines. Although guidance with regard to  
31 the application of the PPEA is provided herein, it will be incumbent upon all entities,  
32 both public and private, to comply with the provisions of the PPEA.

33  
34 In the event that the PPEA is amended in a manner that either conflicts  
35 with guidelines developed by a responsible public entity or concerns material matters not  
36 addressed by such guidelines, the responsible public entity should appropriately amend  
37 the guidelines. If the guidelines are not amended prior to the effective date of the new  
38 law, the guidelines nonetheless shall be interpreted in a manner to conform to the new  
39 law.

40  
41 **II. General Provisions**

42  
43 **A. Proposal Submission**

44  
45 A proposal may be either solicited by a public entity or delivered by a private  
46 entity on an unsolicited basis. Proposers may be required to follow a two-part proposal

1 submission process consisting of an initial conceptual phase and a detailed phase. The  
2 initial phase of the proposal should contain specified information on proposer  
3 qualifications and experience, project characteristics, project financing, anticipated public  
4 support or opposition, or both, and project benefit and compatibility. The detailed  
5 proposal should contain specified deliverables.

6  
7 The PPEA allows private entities to include innovative financing methods,  
8 including the imposition of user fees or service payments, in a proposal. Such financing  
9 arrangements may include the issuance of debt instruments, equity or other securities or  
10 obligations, including, if applicable, the portion of the tax-exempt private activity bond  
11 limitation amount to be allocated annually to the Commonwealth of Virginia pursuant to  
12 the Economic Growth and Tax Relief Reconciliation Act of 2001 for the development of  
13 education facilities using public-private partnerships, and to provide for carryovers of any  
14 unused limitation amount. The PPEA is a flexible development tool that allows the use of  
15 innovative financing techniques. Depending on the public entity's authority and the  
16 circumstances of each transaction, financing options might include the use of special  
17 purpose entities, sale and lease back transactions, enhanced use leasing, property  
18 exchanges, development agreements, conduit financing and other methods allowed by  
19 law.

20  
21 Proposals should be prepared simply and economically, providing a concise  
22 description of the proposer's capabilities to complete the proposed qualifying project and  
23 the benefits to be derived from the project by the public entity. Project benefits to be  
24 considered are those occurring during the construction, renovation, expansion or  
25 improvement phase and during the life cycle of the project. Proposals also should  
26 include a scope of work and a financial plan for the project, containing enough detail to  
27 allow an analysis by the public entity of the financial feasibility of the proposed project.  
28 The public entity may establish criteria by which the proposer may provide clarification  
29 to the submission. The cost analysis of a proposal should not be linked solely to the  
30 financing plan, as the responsible public entity may determine to finance the project  
31 through other available means.

32  
33 **B. Affected Local Jurisdictions**

34  
35 Any private entity requesting approval from or submitting a conceptual or  
36 detailed proposal to a responsible public entity must provide each affected local  
37 jurisdiction with a copy of the private entity's request or proposal by certified mail,  
38 express delivery or hand delivery. Affected local jurisdictions that are not responsible  
39 public entities under the proposed qualifying project shall have 60 days from the receipt  
40 of the request or proposal to submit written comments to the responsible public entity and  
41 to indicate whether the proposed qualifying project is compatible with the (i) local  
42 comprehensive plan, (ii) local infrastructure development plans, or (iii) capital  
43 improvements budget or other government spending plan. Comments received within the  
44 60-day period shall be given consideration by the responsible public entity, and no  
45 negative inference shall be drawn from the absence of comment by an affected local  
46 jurisdiction.

1  
2 **C. Proposal Review Fee**  
3

4 A public entity shall receive an analysis of the proposal from appropriate internal  
5 staff or outside advisors or consultants with relevant experience in determining whether  
6 to enter into an agreement with the private entity. No fee may be charged by a public  
7 entity to process, review or evaluate any solicited proposal submitted under the PPEA.  
8 The public entity may charge a fee to the private entity to cover the costs of processing,  
9 reviewing, and evaluating any unsolicited proposal or competing unsolicited proposal  
10 submitted under the PPEA, including a fee to cover the costs of outside attorneys,  
11 consultants, and financial advisors. Any fee charged for such review of a proposal should  
12 be reasonable in comparison to the level of expertise required to review the proposal and  
13 should not be greater than the direct costs associated with evaluating the proposed  
14 qualifying project. "Direct costs" may include (i) the cost of staff time required to  
15 process, evaluate, review and respond to the proposal and (ii) the out-of-pocket costs of  
16 attorneys, consultants and financial advisors.  
17

18 The proposal fee may cover all or part of the initial review process. For example,  
19 a public entity may require a proposal fee in an amount sufficient to cover all anticipated  
20 direct costs associated with evaluating the proposal, or a public entity may require a  
21 smaller initial processing fee with an additional proposal fee to be charged should the  
22 project proceed beyond the initial review.  
23

24 The public entity may establish a fee schedule for the cost of the proposal review.  
25 The public entity shall set forth in the procedures it has established for the  
26 implementation of the PPEA the methodology used to calculate proposal fees. If the cost  
27 of reviewing the proposal exceeds the initially established proposal fee, the public entity  
28 may assess the proposer the additional costs deemed necessary to evaluate the proposal.  
29

30 For rejected proposals, the public entity may establish a schedule for refunding  
31 any portion of fees paid in excess of its direct costs associated with evaluating the  
32 proposal. If the cost of reviewing the proposal is less than the initially established  
33 proposal fee, the public entity may refund to the proposer the excess fee. As noted in  
34 section IV.A. 1 below, fees should be refunded entirely if the public entity decides not to  
35 proceed to publication and conceptual-phase review of an unsolicited proposal.  
36

37 **D. Freedom of Information Act**  
38

39 ~~Generally, proposal documents submitted by private entities are subject to the~~  
40 ~~Virginia Freedom of Information Act ("FOIA"). In accordance with § 2.2-3705 A-56 of~~  
41 ~~FOIA, such documents are releasable if requested, except to the extent that they relate to~~  
42 ~~(i) confidential proprietary information submitted to the responsible public entity under a~~  
43 ~~promise of confidentiality or (ii) memoranda, working papers or other records related to~~  
44 ~~proposals if making public such records would adversely affect the financial interest of~~  
45 ~~the public or private entity or the bargaining position of either party.~~  
46

1           ~~Subsection 56-575.4 G of the PPEA imposes an obligation on a public entity and~~  
2 ~~any affected local jurisdiction to protect confidential proprietary information submitted~~  
3 ~~by a private entity or operator. When the private entity requests that the public entity not~~  
4 ~~disclose information, the private entity must (i) invoke the exclusion when the data or~~  
5 ~~materials are submitted to the public entity or before such submission, (ii) identify the~~  
6 ~~data and materials for which protection from disclosure is sought, and (iii) state why the~~  
7 ~~exclusion from disclosure is necessary. A private entity may request and receive a~~  
8 ~~determination from the public entity as to the anticipated scope of protection prior to~~  
9 ~~submitting the proposal. The public entity is authorized and obligated to protect only~~  
10 ~~confidential proprietary information, and thus will not protect any portion of a proposal~~  
11 ~~from disclosure if the entire proposal has been designated confidential by the proposer~~  
12 ~~without reasonably differentiating between the proprietary and non-proprietary~~  
13 ~~information contained therein.~~

14  
15           ~~Upon receipt of a request that designated portions of a proposal be protected from~~  
16 ~~disclosure as confidential and proprietary, the public entity shall determine whether such~~  
17 ~~protection is appropriate under applicable law and, if appropriate, the scope of such~~  
18 ~~appropriate protection, and shall communicate its determination to the proposer. If the~~  
19 ~~determination regarding protection or the scope thereof differs from the proposer's~~  
20 ~~request, then the public entity should accord the proposer a reasonable opportunity to~~  
21 ~~clarify and justify its request. Upon a final determination by the public entity to accord~~  
22 ~~less protection than requested by the proposer, the proposer should be accorded an~~  
23 ~~opportunity to withdraw its proposal. A proposal so withdrawn should be treated in the~~  
24 ~~same manner as a proposal not accepted for publication and conceptual phase~~  
25 ~~consideration as provided in section IV.A.1 below.~~

26  
27           ~~Once a comprehensive agreement has been entered into, and the process of~~  
28 ~~bargaining of all phases or aspects of the comprehensive agreement is complete, a~~  
29 ~~responsible public entity shall make available, upon request, procurement records in~~  
30 ~~accordance with Section 2.2-4342.~~

31  
32           1. General applicability of disclosure provisions.

33  
34           ~~Proposal documents submitted by private entities are generally subject to the~~  
35 ~~Virginia Freedom of Information Act ("FOIA") except that § 2.2-3705.6 (11) exempts~~  
36 ~~certain documents from public disclosure. FOIA exemptions, however, are discretionary,~~  
37 ~~and a responsible public body may elect to release some or all of documents except to the~~  
38 ~~extent the documents are:~~

39  
40           ~~a. Trade secrets of the private entity as defined in the Uniform Trade Secrets Act~~  
41 ~~(§ 59.1-336 et seq.);~~

42  
43           ~~b. Financial records of the private entity that are not generally available to the~~  
44 ~~public through regulatory disclosure or otherwise, including but not limited to, balance~~  
45 ~~sheets and financial statements; or~~

1 c. Other information submitted by a private entity, where if the record or  
2 document were made public prior to the execution of an interim or comprehensive  
3 agreement the financial interest or bargaining position of the public or private entity  
4 would be adversely affected.

5  
6 2. Protection from mandatory disclosure for certain documents submitted by a  
7 private entity.

8  
9 Before a document of a private entity may be withheld from disclosure, the  
10 private entity must make a written request to the responsible public entity at the time the  
11 documents are submitted earmarking<sup>1</sup> with specificity the documents for which the  
12 protection is being sought and a clear statement of the reasons for invoking the protection  
13 with reference to one or more of three classes of records listed in Section D.1.

14  
15 Upon the receipt of a written request for protection of documents, the responsible  
16 public entity shall determine whether the documents contain (i) trade secrets, (ii)  
17 financial records, or (iii) other information that would adversely affect the financial  
18 interest or bargaining position of the responsible public entity or private entity in  
19 accordance with Section D.1. The responsible public entity shall make a written  
20 determination of the nature and scope of the protection to be afforded by the responsible  
21 public entity under this subdivision. If the written determination provides less protection  
22 than requested by the private entity, the private entity should be accorded an opportunity  
23 to withdraw its proposal. Nothing shall prohibit further negotiations of the documents to  
24 be accorded protection from release although what may be protected must be limited to  
25 the categories of records identified in Section D.1.

26  
27 Once a written determination has been made by the responsible public entity, the  
28 documents afforded protection under this subdivision shall continue to be protected from  
29 disclosure when in the possession of the responsible public entity or any affected local  
30 jurisdiction to which such documents are provided by the responsible public entity.

31  
32 3. Protection from mandatory disclosure for certain documents produced by the  
33 responsible public entity.

34  
35 Memoranda, staff evaluations, or other records prepared by or for the responsible  
36 public entity for the evaluation and negotiation of proposals may be withheld from  
37 disclosure if the disclosure of such records were made public as required by the PPEA  
38 would adversely affect the financial interest or bargaining position of the responsible  
39 public entity or private entity and the basis for the determination of adverse affect is  
40 documented in writing by the responsible public entity

41  
42 4. If a private entity fails to earmark confidential or proprietary information,  
43 records or documents for protection from disclosure, such information, records or  
44 documents shall be subject to disclosure under FOIA.

<sup>1</sup> "Earmarking" denotes the process of identifying trade secrets and other proprietary records for which protection is sought.

1  
2 5. A responsible public entity may not withhold from public access:

3  
4 (a) procurement records other than those subject to the written determination of  
5 the responsible public entity;

6  
7 (b) information concerning the terms and conditions of any interim or  
8 comprehensive agreement, service contract, lease, partnership, or any agreement of any  
9 kind entered into by the responsible public entity and the private entity;

10  
11 (c) information concerning the terms and conditions of any financing arrangement  
12 that involves the use of any public funds; or

13  
14 (d) information concerning the performance of any private entity developing or  
15 operating a qualifying transportation facility or a qualifying project.

16  
17 **E. Use of Public Funds**

18  
19 Virginia constitutional and statutory requirements as they apply to appropriation  
20 and expenditure of public funds apply to any interim or comprehensive agreement  
21 entered into under the PPEA. Accordingly, the processes and procedural requirements  
22 associated with the expenditure or obligation of public funds shall be incorporated into  
23 planning for any PPEA project or projects.

24  
25 **F. Applicability of Other Laws**

26  
27 Nothing in the PPEA shall affect the duty of a responsible public entity to comply  
28 with all other applicable law not in conflict with the PPEA. The applicability of the  
29 Virginia Public Procurement Act (the "VPPA") is as set forth in the PPEA.

30  
31 **III. Solicited Proposals**

32  
33 A public entity may issue Requests for Proposals (RFPs), inviting proposals from  
34 private entities to develop or operate qualifying projects. A public entity may not issue a  
35 RFP until it has adopted guidelines to govern the PPEA documentation, review, and  
36 selection process. The public entity may use a two-part proposal process consisting of an  
37 initial conceptual phase and a detailed phase. An RFP may invite proposers to submit  
38 proposals on individual projects identified by the public entity. In such a case the  
39 responsible public entity should set forth in the RFP the format and supporting  
40 information that is required to be submitted, consistent with the provisions of the PPEA.

41  
42 The RFP should specify, but not necessarily be limited to, information and  
43 documents that must accompany each proposal and the factors that will be used in  
44 evaluating the submitted proposals. The RFP should be posted in such public areas as are  
45 normally used for posting of the public entity's notices, including the public entity's  
46 website. Notices should also be published in a newspaper or other publications of

1 general circulation and advertised in *Virginia Business Opportunities* and posted on the  
2 Commonwealth's electronic procurement site. The RFP should also contain or  
3 incorporate by reference other applicable terms and conditions, including any unique  
4 capabilities or qualifications that will be required of the private entities submitting  
5 proposals. Pre-proposal conferences may be held as deemed appropriate by the public  
6 entity.

7  
8 **IV. Unsolicited Proposals**

9  
10 The PPEA permits public entities to receive, evaluate and select for negotiations  
11 unsolicited proposals from private entities to develop or operate a qualifying project.

12  
13 A responsible public entity may publicize its needs and may encourage interested  
14 parties to submit unsolicited proposals subject to the terms and conditions of the PPEA.  
15 When such proposals are received without issuance of an RFP, the proposal shall be  
16 treated as an unsolicited proposal.

17  
18 **A. Decision to Accept and Consider Unsolicited Proposal; Notice**

19  
20 1. Upon receipt of any unsolicited proposal or group of proposals and payment of  
21 any required fee by the proposer or proposers, the responsible public entity should  
22 determine whether to accept the unsolicited proposal for publication and conceptual-  
23 phase consideration. If the public entity determines not to accept the proposal and  
24 proceed to publication and conceptual-phase consideration, it should return the proposal,  
25 together with all fees and accompanying documentation, to the proposer.

26  
27 2. If the responsible public entity chooses to accept an unsolicited proposal for  
28 conceptual-phase consideration, it shall post a notice in a public area regularly used by  
29 the public entity for posting of public notices for a period of not less than 45 days. The  
30 responsible public entity shall also publish the same notice for a period of not less than 45  
31 days in one or more newspapers or periodicals of general circulation in the jurisdiction to  
32 notify any parties that may be interested in submitting competing unsolicited proposals.  
33 In addition, the notice should also be advertised in *Virginia Business Opportunities* and  
34 on the Commonwealth's electronic procurement website. The notice shall state that the  
35 public entity (i) has received and accepted an unsolicited proposal under the PPEA, (ii)  
36 intends to evaluate the proposal, (iii) may negotiate an interim or comprehensive  
37 agreement with the proposer based on the proposal, and (iv) will accept for simultaneous  
38 consideration any competing proposals that comply with the procedures adopted by the  
39 public entity and the PPEA. The notice also shall summarize the proposed qualifying  
40 project or projects, and identify their proposed locations. ~~Copies of unsolicited proposals  
41 shall be available upon request, subject to the provisions of FOIA and § 56-575.4 G of  
42 the PPEA. Representatives of the public entity are encouraged to answer questions from  
43 private entities that are contemplating submission of a competing unsolicited proposal.~~

44  
45 **V. Posting Requirements**

1 A. Conceptual proposals, whether solicited or unsolicited, shall be posted by the  
2 responsible public entity within 10 working days after acceptance of such proposals at the  
3 end of the 45-day notice period in the following manner:

4  
5 1. For responsible public entities that are state agencies, departments, and  
6 institutions, posting shall be on the Department of General Service's web-based electronic  
7 procurement program commonly known as "eVA;" and

8  
9 2. For responsible public entities that are local public bodies, posting shall be on  
10 the responsible public entity's website or by publication, in a newspaper of general  
11 circulation in the area in which the contract is to be performed, of a summary of the  
12 proposals and the location where copies of the proposals are available for public  
13 inspection. Posting may also be on the Department of General Service's web-based  
14 electronic procurement program commonly known as "eVA," in the discretion of the  
15 local responsible public entity.

16  
17 B. Nothing shall be construed to prohibit the posting of the conceptual proposals  
18 by additional means deemed appropriate by the responsible public entity so as to provide  
19 maximum notice to the public of the opportunity to inspect the proposals.

20  
21 C. In addition to the posting requirements, at least one copy of the proposals shall  
22 be made available for public inspection. Trade secrets, financial records, or other records  
23 of the private entity excluded from disclosure under the provisions of subdivision 11 of §  
24 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by the  
25 responsible public entity and the private entity. Any inspection of procurement  
26 transaction records shall be subject to reasonable restrictions to ensure the security and  
27 integrity of the records.

28  
29 D. Cost estimates relating to a proposed procurement transaction prepared by or  
30 for a responsible public entity shall not be open to public inspection.

31  
32 **B. Initial Review by the Responsible Public Entity at the Conceptual Stage**

33  
34 1. Only proposals complying with the requirements of the PPEA that  
35 contain sufficient information for a meaningful evaluation and that are provided in an  
36 appropriate format should be considered by the responsible public entity for further  
37 review at the conceptual stage. Formatting suggestions for proposals at the conceptual  
38 stage are found at Section V A.

39  
40 2. The responsible public entity should determine at this initial stage of review  
41 whether it will proceed using:

- 42  
43 a. Standard procurement procedures consistent with the VPPA; or  
44  
45 b. Guidelines developed by the responsible public entity that are consistent  
46 with procurement of other than professional services through "competitive

1 negotiation" as the term is defined in § 2.2-4301 of the Code of Virginia.  
2 The responsible public entity may proceed using such guidelines only if it  
3 makes a written determination that doing so is likely to be advantageous to  
4 the responsible public entity and the public based upon either (i) the  
5 probable scope, complexity or priority of need; (ii) the risk sharing  
6 including guaranteed cost or completion guarantees, added value or debt  
7 or equity investments proposed by the private entity; or (iii) increase in  
8 funding, dedicated revenue or other economic benefit that would  
9 otherwise not be available.

10  
11 3. After reviewing the original proposal and any competing proposals submitted  
12 during the notice period, the responsible public entity may determine:

- 13  
14 (i) not to proceed further with any proposal,  
15  
16 (ii) to proceed to the detailed phase of review with the original proposal,  
17  
18 (iii) to proceed to the detailed phase with a competing proposal, or  
19  
20 (iv) to proceed to the detailed phase with multiple proposals.  
21

22 In the event that more than one proposal will be considered in the detailed phase  
23 of review, the public entity should consider whether the unsuccessful proposer should be  
24 reimbursed for costs incurred in the detailed phase of review, and such reasonable costs  
25 may be assessed to the successful proposer in the comprehensive agreement.  
26

27 4. Discussions between responsible public bodies and private entities about the  
28 need for infrastructure improvements shall not limit the ability of a public entity to later  
29 determine to use standard procurement procedures to meet its infrastructure needs. The  
30 public entity retains the right to reject any proposal at any time prior to the execution of  
31 an interim or comprehensive agreement.  
32

33 | **V.VI. Proposal Preparation and Submission**

34  
35 **A. Format for Submissions at Conceptual Stage**  
36

37 A responsible public entity may require that proposals at the conceptual stage  
38 contain information in the following areas: (i) qualifications and experience, (ii) project  
39 characteristics, (iii) project financing, (iv) anticipated public support or opposition, or  
40 both, (v) project benefit and compatibility and (vi) any additional information as the  
41 responsible public entity may reasonably request to comply with the requirements of the  
42 PPEA. Suggestions for formatting information to be included in proposals at this stage  
43 include:  
44

45 **1. Qualification and Experience**  
46

- 1 a. Identify the legal structure of the firm or consortium of firms making the  
2 proposal. Identify the organizational structure for the project, the  
3 management approach and how each partner and major subcontractor in  
4 the structure fits into the overall team.  
5
- 6 b. Describe the experience of the firm or consortium of firms making the  
7 proposal and the key principals involved in the proposed project including  
8 experience with projects of comparable size and complexity. Describe the  
9 length of time in business, business experience, public sector experience  
10 and other engagements of the firm or consortium of firms. Include the  
11 identity of any firms that will provide design, construction and completion  
12 guarantees and warranties and a description of such guarantees and  
13 warranties.  
14
- 15 c. Provide the names, addresses, and telephone numbers of persons within  
16 the firm or consortium of firms who may be contacted for further  
17 information.  
18
- 19 d. Provide a current or most recently audited financial statement of the firm  
20 or firms and each partner with an equity interest of twenty percent or  
21 greater.  
22
- 23 e. Identify any persons known to the proposer who would be obligated to  
24 disqualify themselves from participation in any transaction arising from or  
25 in connection to the project pursuant to The Virginia State and Local  
26 Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of  
27 Title 2.2.  
28

29 2. Project Characteristics

- 30
- 31 a. Provide a description of the project, including the conceptual design.  
32 Describe the proposed project in sufficient detail so that type and intent of  
33 the project, the location, and the communities that may be affected are  
34 clearly identified.  
35
- 36 b. Identify and fully describe any work to be performed by the public entity.  
37
- 38 c. Include a list of all federal, state and local permits and approvals required  
39 for the project and a schedule for obtaining such permits and approvals.  
40
- 41 d. Identify any anticipated adverse social, economic and environmental  
42 impacts of the project. Specify the strategies or actions to mitigate known  
43 impacts of the project.  
44
- 45 e. Identify the projected positive social, economic and environmental  
46 impacts of the project.

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- f. Identify the proposed schedule for the work on the project, including the estimated time for completion.
- g. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances for timely completion of the project.
- h. State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on the public entity's use of the project.
- i. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.
- j. List any other assumptions relied on for the project to be successful.
- k. List any contingencies that must occur for the project to be successful.

3. Project Financing

- a. Provide a preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both.
- b. Submit a plan for the development, financing and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs. Include supporting due diligence studies, analyses, or reports.
- c. Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all significant fees associated with financing given the recommended financing approach. In addition complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.
- d. Identify the proposed risk factors and methods for dealing with these factors.
- e. Identify any local, state or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of the public entity's credit or revenue.

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- f. Identify the amounts and the terms and conditions for any revenue sources.
- g. Identify any aspect of the project that could disqualify the project from obtaining tax-exempt financing.

**4. Project Benefit and Compatibility**

- a. Identify who will benefit from the project, how they will benefit and how the project will benefit the overall community, region, or state.
- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project.
- c. Explain the strategy and plans that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.
- d. Describe the anticipated significant benefits to the community, region or state, including anticipated benefits to the economic condition of the public entity and whether the project is critical to attracting or maintaining competitive industries and businesses to the public entity or the surrounding region.
- e. Describe compatibility with the local comprehensive plan, local infrastructure development plans, the capital improvements budget or other government spending plan.
- f. Provide a statement setting forth participation efforts that are intended to be undertaken in connection with this project with regard to the following types of businesses: (i) minority-owned businesses, (ii) woman-owned businesses, and (iii) small businesses.

**B. Format for Submissions at Detailed Stage**

If the responsible public entity decides to proceed to the detailed phase of review with one or more proposals, the following information should be provided by the private entity unless waived by the responsible public entity:

- 1. A topographical map (1:2,000 or other appropriate scale) depicting the location of the proposed project;
- 2. A list of public utility facilities, if any, that will be crossed by the qualifying project and a statement of the plans of the proposer to accommodate such crossings;

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- 3. A statement and strategy setting out the plans for securing all necessary property;
- 4. A detailed listing of all firms that will provide specific design, construction and completion guarantees and warranties, and a brief description of such guarantees and warranties;
- 5. A total life-cycle cost specifying methodology and assumptions of the project or projects and the proposed project start date. Include anticipated commitment of all parties; equity, debt, and other financing mechanisms; and a schedule of project revenues and project costs. The life-cycle cost analysis should include, but not be limited to, a detailed analysis of the projected return, rate of return, or both, expected useful life of facility and estimated annual operating expenses.
- 6. A detailed discussion of assumptions about user fees or rates, and usage of the projects.
- 7. Identification of any known government support or opposition, or general public support or opposition for the project. Government or public support should be demonstrated through resolution of official bodies, minutes of meetings, letters, or other official communications.
- 8. Demonstration of consistency with appropriate local comprehensive or infrastructure development plans or indication of the steps required for acceptance into such plans.
- 9. Explanation of how the proposed project would impact local development plans of each affected local jurisdiction.
- 10. Identification of the executive management and the officers and directors of the firm or firms submitting the proposal. In addition, identification of any known conflicts of interest or other disabilities that may impact the public entity's consideration of the proposal, including the identification of any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2.
- 11. Additional material and information as the public entity may reasonably request.

**VI.VII. Proposal Evaluation and Selection Criteria**

1 The following items shall be considered in the evaluation and selection of  
2 PPEA proposals.

3  
4 **A. Qualifications and Experience**

5  
6 Factors to be considered in either phase of the responsible public entity's review  
7 to determine whether the proposer possesses the requisite qualifications and experience  
8 include:

- 9  
10 1. Experience with similar projects;  
11  
12 2. Demonstration of ability to perform work;  
13  
14 3. Leadership structure;  
15  
16 4. Project manager's experience;  
17  
18 5. Management approach;  
19  
20 6. Financial condition; and  
21  
22 7. Project ownership.

23  
24 **B. Project Characteristics**

25  
26 Factors to be considered in determining the project characteristics include:

- 27  
28 1. Project definition;  
29  
30 2. Proposed project schedule;  
31  
32 3. Operation of the project;  
33  
34 4. Technology; technical feasibility;  
35  
36 5. Conformity to laws, regulations, and standards;  
37  
38 6. Environmental impacts;  
39  
40 7. Condemnation impacts;  
41  
42 8. State and local permits; and  
43  
44 9. Maintenance of the project.

45  
46 **C. Project Financing**

1  
2 Factors to be considered in determining whether the proposed project financing  
3 allows adequate access to the necessary capital to finance the project include:  
4

- 5 1. Cost and cost benefit to the responsible public entity;  
6
- 7 2. Financing and the impact on the debt or debt burden of the responsible  
8 public entity;  
9
- 10 3. Financial plan, including the degree to which the proposer has conducted  
11 due diligence investigation and analysis of the proposed financial plan and  
12 the results of any such inquiries or studies;  
13
- 14 4. Estimated cost;  
15
- 16 5. Life-cycle cost analysis;  
17
- 18 6. The identity, credit history, past performance of any third party that will  
19 provide financing for the project and the nature and timing of their  
20 commitment, as applicable; and  
21
- 22 7. Such other items as the public entity deems appropriate.  
23

24 In the event that any project is financed through the issuance of obligations that  
25 are deemed to be tax-supported debt of the public entity, or if financing such a project  
26 may impact the public entity's debt rating or financial position, the public entity may  
27 select its own finance team, source, and financing vehicle.  
28

29 **D. Project Benefit and Compatibility**  
30

31 Factors to be considered in determining the proposed project's compatibility with  
32 the appropriate local or regional comprehensive or development plans include:  
33

- 34 1. Community benefits;  
35
- 36 2. Community support or opposition, or both;  
37
- 38 3. Public involvement strategy;  
39
- 40 4. Compatibility with existing and planned facilities; and  
41
- 42 5. Compatibility with local, regional, and state economic development efforts.  
43

44 **F. Other Factors.**  
45

1 Other factors that may be considered by a responsible public entity in the  
2 evaluation and selection of PPEA proposals include:

- 3
- 4 1. The proposed cost of the qualifying project;
- 5
- 6 2. The general reputation, industry experience, and financial capacity of the  
7 private entity;
- 8
- 9 3. The proposed design of the qualifying project;
- 10
- 11 4. The eligibility of the project for accelerated documentation, review, and  
12 selection;
- 13
- 14 5. Local citizen and government comments;
- 15
- 16 6. Benefits to the public;
- 17
- 18 7. The private entity's compliance with a minority business enterprise  
19 participation plan or good faith effort to comply with the goals of such  
20 plan;
- 21
- 22 8. The private entity's plans to employ local contractors and residents; and
- 23
- 24 9. Other criteria that the responsible public entity deems appropriate.
- 25

26 | **VII.VIII. Interim and Comprehensive Agreements**

27

28 Prior to developing or operating the qualifying project, the selected private entity  
29 shall enter into a comprehensive agreement with the responsible public entity. Prior to  
30 entering a comprehensive agreement an interim agreement may be entered into that  
31 permits a private entity to perform compensable activities related to the project. The  
32 responsible public entity may designate a working group to be responsible for negotiating  
33 any interim or comprehensive agreement. Any interim or comprehensive agreement shall  
34 define the rights and obligations of the responsible public entity and the selected proposer  
35 with regard to the project.

36

37 **A. Interim Agreement Terms**

38

39 The scope of an interim agreement may include but is not limited to:

- 40
- 41 1. Project planning and development;
- 42
- 43 2. Design and engineering;
- 44
- 45 3. Environmental analysis and mitigation;
- 46

- 1 4. Survey;
- 2
- 3 5. Ascertaining the availability of financing for the proposed facility through
- 4 financial and revenue analysis;
- 5
- 6 6. Establish a process and timing of the negotiation of the comprehensive
- 7 agreement; and
- 8
- 9 7. Any other provisions related to any aspect of the development or operation of
- 10 a qualifying project that the parties may deem appropriate prior to the
- 11 execution of a comprehensive agreement.
- 12

### **B. Comprehensive Agreement Terms**

13 The scope of the comprehensive agreement shall include but not be limited to:

- 14
- 15
- 16
- 17 1. The delivery of maintenance, performance and payment bonds or letters of
- 18 credit in connection with any acquisition, design, construction, improvement,
- 19 renovation, expansion, equipping, maintenance, or operation of the qualifying
- 20 project;
- 21
- 22 2. The review of plans and specifications for the qualifying project by the
- 23 responsible public entity;
- 24
- 25 3. The rights of the responsible public entity to inspect the qualifying project to
- 26 ensure compliance with the comprehensive agreement;
- 27
- 28 4. The maintenance of a policy or policies of liability insurance or self-insurance
- 29 reasonably sufficient to insure coverage of the project and the tort liability to
- 30 the public and employees and to enable the continued operation of the
- 31 qualifying project;
- 32
- 33 5. The monitoring of the practices of the private entity by the responsible public
- 34 entity to ensure proper maintenance;
- 35
- 36 6. The terms under which the private entity will reimburse the responsible public
- 37 entity for services provided;
- 38
- 39 7. The policy and procedures that will govern the rights and responsibilities of
- 40 the responsible public entity and the private entity in the event that the
- 41 comprehensive agreement is terminated or there is a material default by the
- 42 private entity including the conditions governing assumption of the duties and
- 43 responsibilities of the private entity by the responsible public entity and the
- 44 transfer or purchase of property or other interests of the private entity by the
- 45 responsible public entity;
- 46

- 1 8. The terms under which the private entity will file appropriate financial  
2 statements on a periodic basis;
- 3
- 4 9. The mechanism by which user fees, lease payments, or service payments, if  
5 any, may be established from time to time upon agreement of the parties. Any  
6 payments or fees shall be set at a level that is the same for persons using the  
7 facility under like conditions and that will not materially discourage use for  
8 the qualifying project;
- 9
- 10 a. A copy of any service contract shall be filed with the responsible public  
11 entity.
- 12
- 13 b. A schedule of the current user fees or lease payments shall be made  
14 available by the private entity to any member of the public upon request.
- 15
- 16 c. Classifications according to reasonable categories for assessment of user  
17 fees may be made.
- 18
- 19 10. The terms and conditions under which the responsible public entity may  
20 contribute financial resources, if any, for the qualifying project;
- 21
- 22 11. The terms and conditions under which existing site conditions will be assessed  
23 and addressed, including identification of the responsible party for conducting  
24 the assessment and taking necessary remedial action;
- 25
- 26 12. The terms and conditions under which the public entity will be required to pay  
27 money to the private entity and the amount of any such payments for the  
28 project.
- 29
- 30 13. Other requirements of the PPEA or other applicable law; and
- 31
- 32 14. Such other terms and conditions as the public entity may deem appropriate.
- 33

34 Any changes in the terms of the interim or comprehensive agreement as may be  
35 agreed upon by the parties from time to time shall be added to the interim or  
36 comprehensive agreement by written amendment.

37  
38 The comprehensive agreement may provide for the development or operation of  
39 phases or segments of a qualifying project.

40  
41 **C. Notice and Posting requirements.**

42  
43 **1. In addition to the posting requirements of Section V, 30 days prior to entering**  
44 **into an interim or comprehensive agreement, a responsible public entity shall provide an**  
45 **opportunity for public comment on the proposals. Such public comment period may**

1 include a public hearing in the sole discretion of the responsible public entity. After the  
2 end of the public comment period, no additional posting shall be required.

3  
4 2. Once the negotiation phase for the development of an interim or a  
5 comprehensive agreement is complete and a decision to award has been made by a  
6 responsible public entity, the responsible public entity shall post the proposed agreement  
7 in the following manner:

8  
9 a. For responsible public entities that are state agencies, departments, and  
10 institutions, posting shall be on the Department of General Service's web-based electronic  
11 procurement program commonly known as "eVA;" and

12  
13 b. For responsible public entities that are local public bodies, posting shall be on  
14 the responsible public entity's website or by publication, in a newspaper of general  
15 circulation in the area in which the contract is to be performed, of a summary of the  
16 proposals and the location where copies of the proposals are available for public  
17 inspection. Posting may also be on the Department of General Service's web-based  
18 electronic procurement program commonly known as "eVA," in the discretion of the  
19 local responsible public entity.

20  
21 c. In addition to the posting requirements, at least one copy of the proposals shall  
22 be made available for public inspection. Trade secrets, financial records, or other records  
23 of the private entity excluded from disclosure under the provisions of subdivision 11 of §  
24 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by the  
25 responsible public entity and the private entity.

26  
27 3. Once an interim agreement or a comprehensive agreement has been entered  
28 into, a responsible public entity shall make procurement records available for public  
29 inspection, upon request.

30  
31 a. Such procurement records shall include documents protected from disclosure  
32 during the negotiation phase on the basis that the release of such documents would have  
33 adversely affect the financial interest or bargaining position of the responsible public  
34 entity or private entity in accordance with Section II.D.2.

35  
36 b. Such procurement records shall not include (i) trade secrets of the private entity  
37 as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) or (ii) financial records,  
38 including balance sheets or financial statements of the private entity that are not generally  
39 available to the public through regulatory disclosure or otherwise.

40  
41 **VIII.IX. Governing Provisions**

42  
43 In the event of any conflict between these provisions and the PPEA, the terms of the  
44 PPEA shall control.