



Public Private Partnerships and Procurement in Virginia

*HB 2079 Study of Virginia Public
Procurement Act
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PPP: Dispelling the Myths

- Not a panacea
- Not free money
- Not a finance tool
- Not secret negotiations
- Not privatization
- Not only mega-projects with mega-contractors

What are PPEA/PPTA?

- Alternative procurement tools that exist outside the Virginia Public Procurement Act
- Rely on procurement through “competitive negotiations” as defined in VPPP
- Open to use by state agencies, local governments, and all political subdivisions
- Permits transfers of price and schedule risk from public to private sector

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Why Create a Statutory Framework?

- Creates a consistent, repeatable, predictable process for alternative project delivery
- Ensures transparency and accountability to the public
- Increases competition and value delivery
- Signals legislative support for the process
- Checks and balances to reduce project delivery problems
- Spur innovation and creative project approaches
- Separate acts for transportation and social infrastructure because of differences in project scope, cost, delivery and approvals

How Does a PPP differ from VPPP Process?

- Allows selection based on qualifications and best value, not just price
- Permits both solicited and unsolicited proposals
- Fosters open exchange of ideas between public and private sector
- Permits public body to recoup review and transaction costs
- Enhanced transparency and public access to proposals and contracts
- Interim agreements

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PPEA/PPTA Implementation

- Design-build emerging as default "contracting" method under PPP using DBIA and other standardized forms
- Statute and guidelines govern the procurement transaction
- Nearly 2/3 of Virginia communities have PPEA guidelines, fewer than 10 have PPTA guidelines
- Project size has ranged from \$600,000 to \$2.1 billion

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