



# P3 Structures and Best Practices

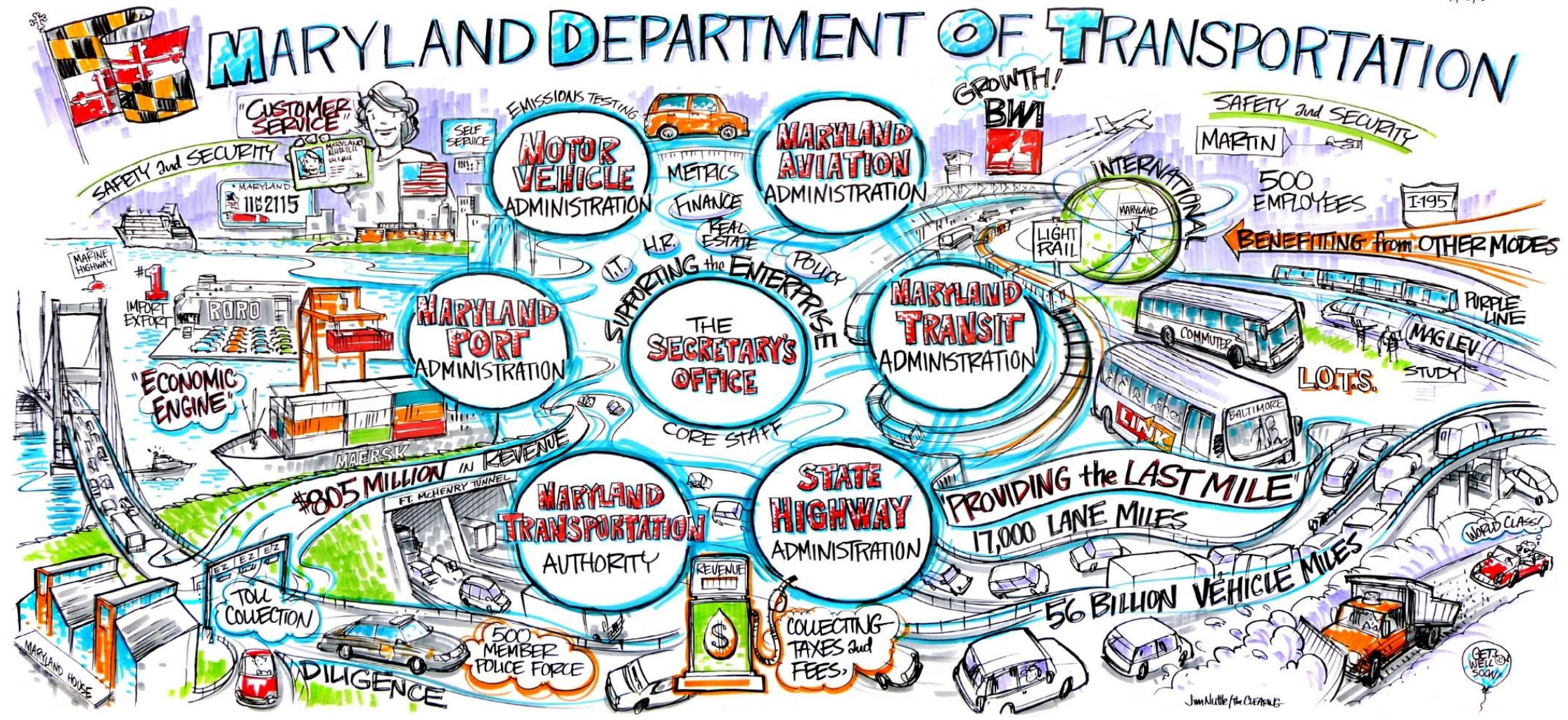
May 22, 2025



Conference on Financing Public-Private Partnerships in Infrastructure

11/20/15

# MARYLAND DEPARTMENT OF TRANSPORTATION





ARTISTIC DAYTIME VIEW OF CABLE STAYED SPAN WITH DOWNTOWN BALTIMORE BEYOND.

KEY BRIDGE REBUILD



©2012 Jeffrey Sauers  
www.commercialphoto.com



# What is P3?

- Delivery method
- Publicly-owned infrastructure
- Long-term contracts (20-50 years)
- Risk-Adjusted
- Performance-Based Contract
- Lifecycle O&M
- Private investment
- Complex projects >\$100mm



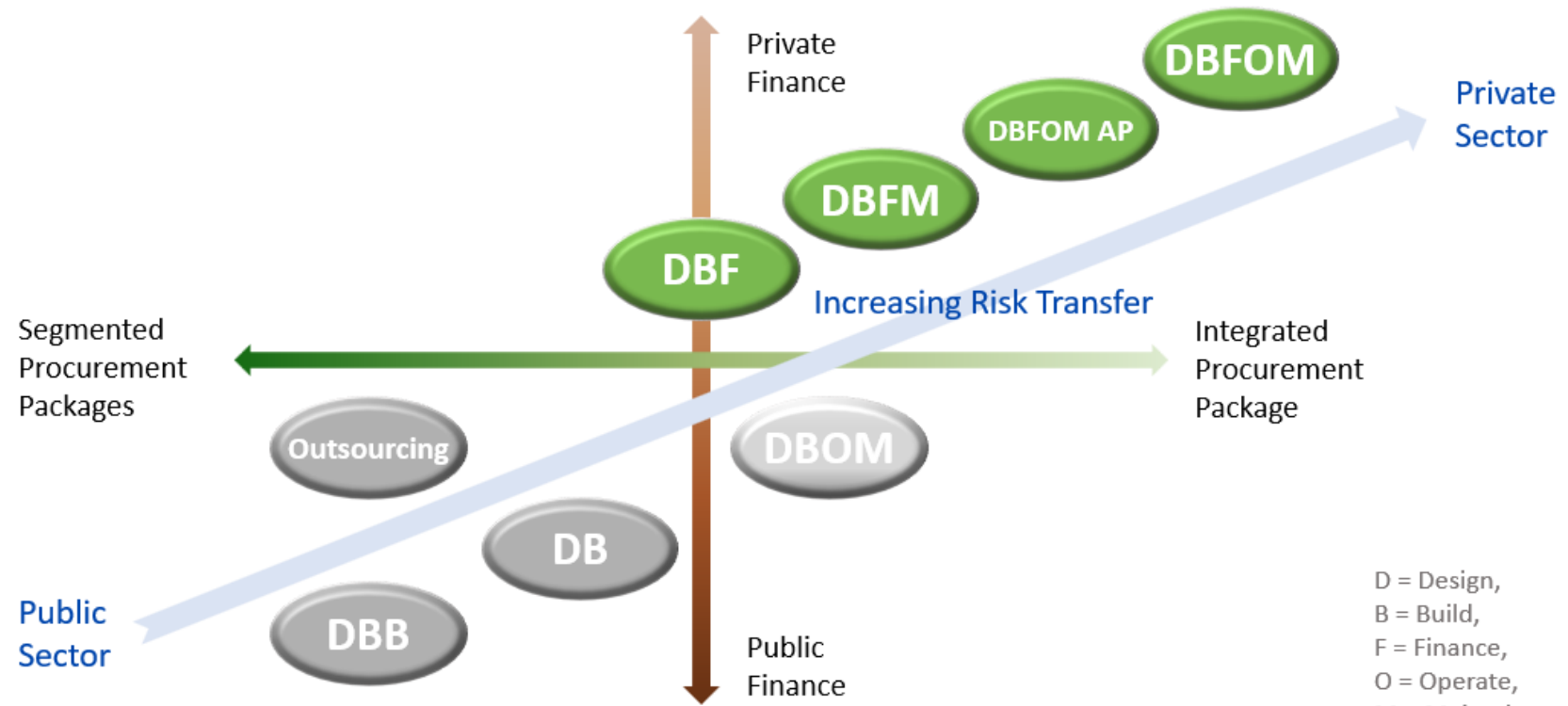
# What isn't P3?

- “Free money” – no!
- “Privatization” – no!
- “Foreign ownership” – no!
- “Selling State assets” – no!
- “Real estate deal” – no!
- “Reducing State employees” – no!



Photo by [Kathy Marsh](#) on [Unsplash](#)

# Delivery Models



D = Design,  
 B = Build,  
 F = Finance,  
 O = Operate,  
 M = Maintain  
 AP = Availability Payment  
 DBB = Design, Bid, Build

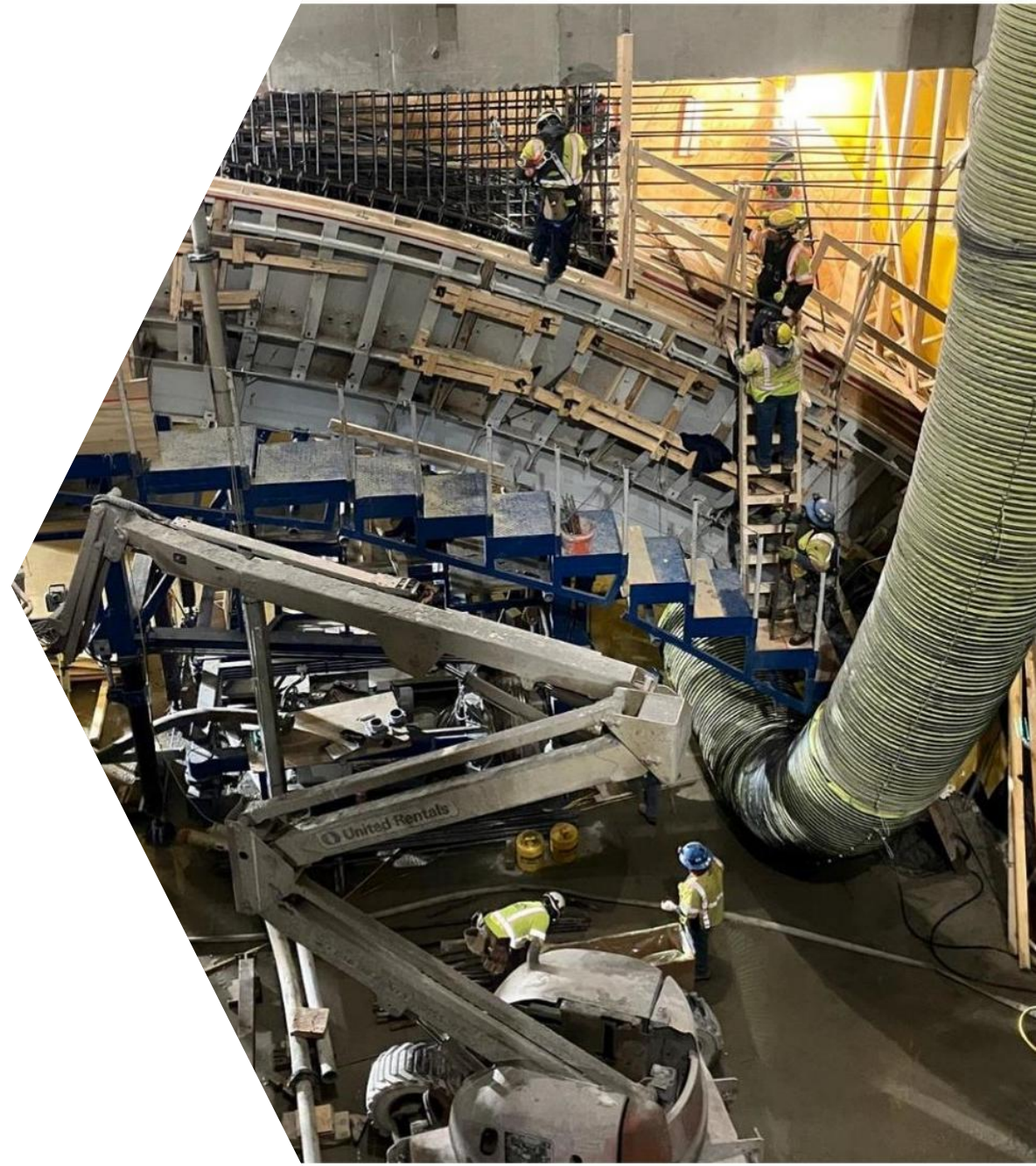
# Potential Benefits

- Proper risk allocation
- Accelerated project delivery
- Access to private financial resources/Utilize public financial resources for other projects
- Public sector budget and cost certainties
- Accountability
- Innovation
- Life-cycle cost efficiencies



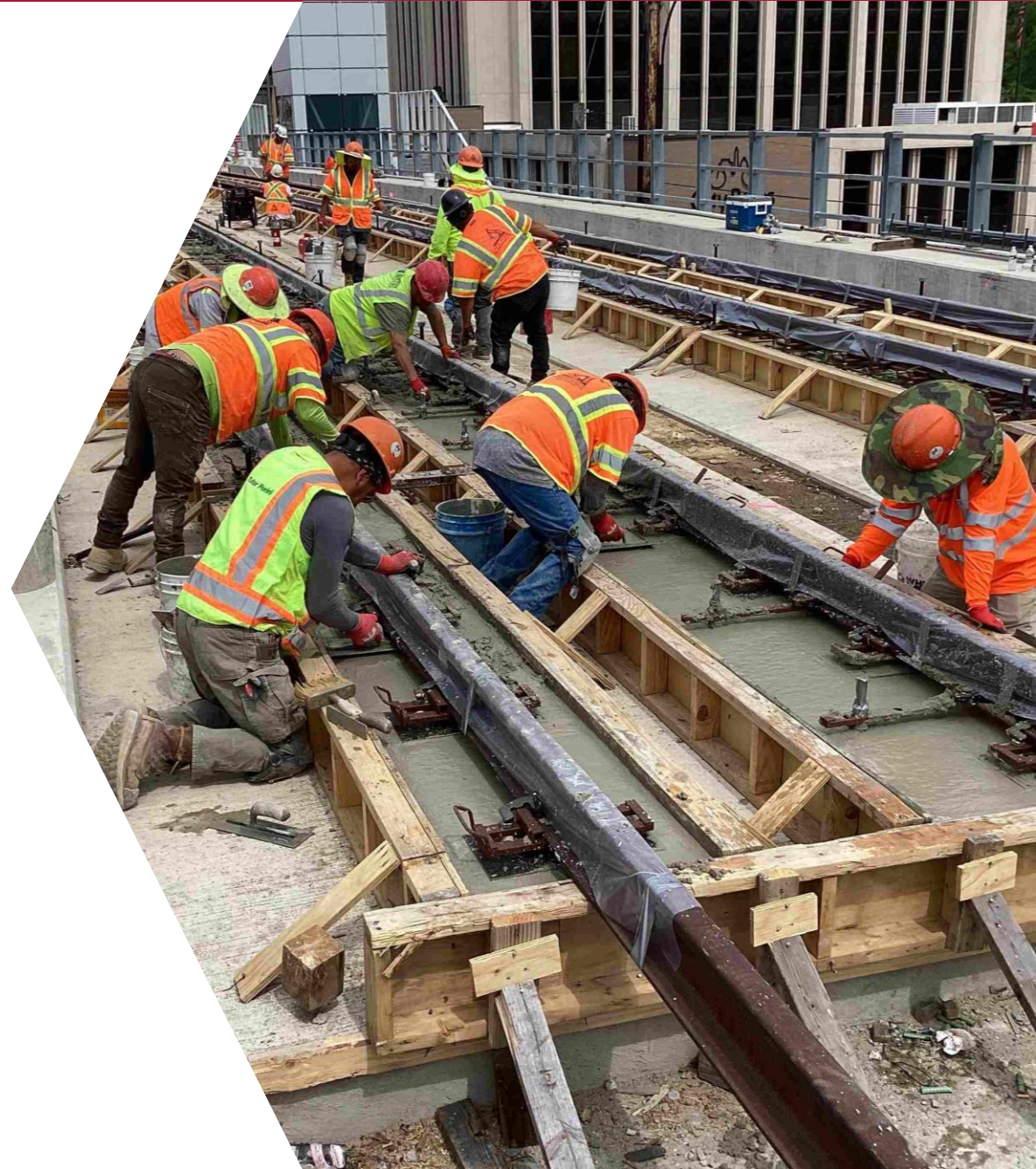
# Successful Procurements

- Statutory framework in place
- Secure the needed expertise
- Analyze delivery options
- Clear and transparent process
- Stakeholder communication
- Project champion



# Effective Contracts

- Clear and measurable performance standards
- Optimum risk allocation
- Detailed contract with built-in flexibility
- Dispute resolution process
- Handback requirements



# True Partnership is Key to Project Success

- The last “P” is the most important
- Goal alignment
- Open and frequent communication
- Quickly identify, communicate, and mitigate issues
- Project first focus
- Strong executive engagement



“Coming together is a beginning,  
Keeping together is progress,  
Working together is success.”

- Henry Ford

