

# REVOLUTIONIZE USACE CIVIL WORKS

## PUBLIC-PRIVATE PARTNERSHIP (P3) PROGRAM

### WEBINAR

Aaron Snyder  
P3 Program Director  
U.S. Army Corps of Engineers

April 2020



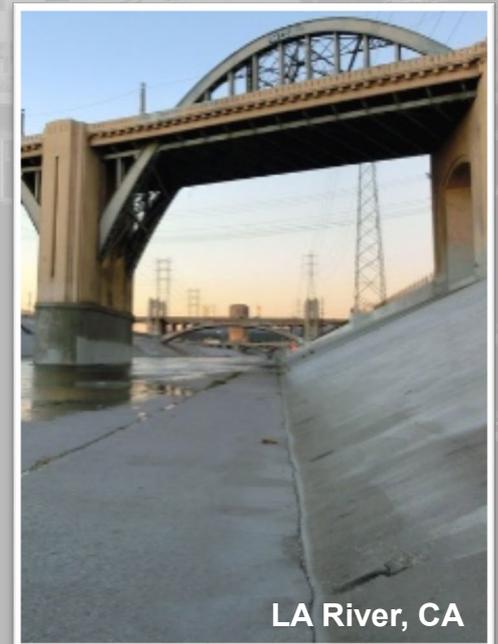
US Army Corps  
of Engineers®



Brazos Island Harbor Channel, TX



Mississippi River



LA River, CA



# P3 Program

U.S. Army Corps of Engineers Civil Works



## Public Private Partnership Program (P3)

### GOAL:

To demonstrate the viability and value of new delivery methods that can significantly reduce the cost and time of project delivery.

### USACE Approach to P3:

USACE takes a broad view of P3; **any innovative delivery approach** that creates value, accelerates deliver and transfers risk.

### PROGRAM BENEFITS:

- Optimize local participation and decrease the level of federal involvement (while still maintaining the required Federal oversight and regulations).
- Deliver Projects faster and more cost effectively



# P3 Program

U.S. Army Corps of Engineers Civil Works



## Success Stories

- **P3 Pilot Program:**
  - 1 project under construction
  - 2 projects under development/pending implementation



Accelerated delivery by  
**13 years**



Reduced  
Bureaucracy



Empowered  
Partnerships and  
Out-of-the-Box  
Thinking



Reduced Federal costs by  
**\$175 million**



# P3 Program

U.S. Army Corps of Engineers Civil Works



## Fargo-Moorhead Flood Risk Management Project

**Investment Size:** \$2.84B

**Non-Federal Sponsor(s):** Metro Flood Diversion Authority; City of Fargo, North Dakota; and City of Moorhead, Minnesota

**P3 Elements:** Design, Build, Finance, Operate & Maintain  
**Contracting:** Non-Federal

**Non-Federal Revenue Source(s):** State Appropriations, Sales Taxes, and Assessment District

**Cost / Time Savings:** \$100M Federal / Completion by 2027

**Additional Authorities:** None needed

**Website:** <https://www.fmdiversion.com/>



# P3 Program

U.S. Army Corps of Engineers Civil Works



## Los Angeles River Ecosystem Restoration Project

*Ecosystem restoration project on the Los Angeles River, which includes water quality and recreation features. The proposal identified three separate elements spanning 11 miles from the northern edge of Griffith Park to Downtown LA.*

**Investment Size:** \$1.4B

**Non-Federal Sponsor(s):** City of Los Angeles

**P3 Elements:** Design, Build, Finance, Operate/Maintain

**Contracting:** Non-Federal

**Non-Federal Revenue Source(s):** State, local and foundation grants; usage revenue; tax assessments; general funds

**Cost / Time Savings:** 33% Federal cost savings / 10-20 years

**Additional Authorities:** Payments over time, mitigation banking eligibility



# P3 Program

U.S. Army Corps of Engineers Civil Works



## **Brazos Island Harbor Channel Improvement Project**

*Project would deepen the Port of Brownsville ship channel from 42 feet to 52 feet in addition to dredging berthing areas, constructing dredged material placement area capacity, raising levees, and providing aids to navigation.*

**Investment Size:** \$288M

**Non-Federal Sponsor(s):** Port of Brownsville

**P3 Elements:** Design, Build, Finance

**Contracting:** Non-Federal

**Non-federal Revenue Source(s):** Private entities

**Cost / Time Savings:** \$72M / Completion by 2024

**Additional Authorities:** None identified



# P3 Program

U.S. Army Corps of Engineers Civil Works

## Project Nominations (always open)

Submittals can be provided via email to:

[CW.Infrastructure.Team@usace.army.mil](mailto:CW.Infrastructure.Team@usace.army.mil)

Questions can be directed to:

Aaron Snyder

612-518-0355

[Aaron.M.Snyder@usace.army.mil](mailto:Aaron.M.Snyder@usace.army.mil)

Details on submittal requirements:

<https://www.federalregister.gov/documents/2019/02/01/2019-00709/request-for-information-on-conceptual-public-private-partnership-p3-delivery-of-specific-us-army>



# P3 Program

U.S. Army Corps of Engineers Civil Works

## Initial Screening Criteria

### **Viable P3 project proposals must:**

- Have a construction cost, or portfolio of costs, in excess of \$50 million;
- Have non-federal sponsor support;
- Include bundling of various life-cycle components (i.e. design, build, finance, operation and maintenance or some combination);
- May include output based and performance based solutions;
- Federally authorized (or likely to be) projects;
- Accelerate project delivery;
- Have the ability to generate revenue or leverage non-Federal funding sources;
- Be executable under existing authorities;
- Provide a qualitative assessment demonstrating that the P3 will deliver the project faster and/or more cost effectively than traditional delivery.



# P3 Program

U.S. Army Corps of Engineers Civil Works

## Selection Criteria

Viable P3 project proposals will be ranked on the following:

- **Return on Federal Investment (ROFI):** ROFI will be calculated by annualizing the total project benefits and Federal costs utilizing the current discount rate, and applying the formula:  $(\text{Benefits} - \text{Federal Costs}) / (\text{Federal Costs})$ .
- **Replicability:** Proposed P3 structure or underlying concepts may be applied to other prospective projects.
- **Reliable Funding Sources:** Reliable non-Federal funding sources for the construction, operation and maintenance.
- **Risk Allocation:** Project effectively allocates delivery and performance risk to non-Federal entities and minimizes Federal direct and contingent liabilities associated with the project.



# P3 Program

U.S. Army Corps of Engineers Civil Works

## **Submittals should include the following information:**

1. Project Name.
2. Project Location.
3. Name of the project sponsor.
4. Statement of support from non-Federal sponsor, or likely non-Federal sponsor.
5. The type of project (*i.e.*, Flood Risk Management, Ecosystem Restoration, Navigation, etc).
6. The Federal authority for the project or bundle of projects.
7. Identify existing authorities that may allow the P3 to be completed (State and Federal).
8. Identification of additional authorities necessary to carry out the project as a P3.



# P3 Program

U.S. Army Corps of Engineers Civil Works

## **Submittals should include the following information:**

9. The investment size of the project (*i.e.*, \$70,000,000).
10. Anticipated activities included in the proposed P3 (*i.e.*, design, build, finance, operate and maintain) – including proposed transaction/contracting structure.
11. Anticipated revenue sources for funding the P3 component of the project.
12. Ability to leverage non-Federal funding sources.
13. Expected impact on the project delivery schedule and costs.
14. A qualitative assessment demonstrating that the P3 will deliver the project faster and/or more cost effectively than traditional delivery.



# P3 Program

U.S. Army Corps of Engineers Civil Works

## **Submittals should include the following information:**

15. Anticipated Return on Federal Investment. ROFI will be calculated by annualizing the total project benefits and Federal costs utilizing the current discount rate, and applying the formula:  $(\text{Benefits} - \text{Federal Costs}) / (\text{Federal Costs})$ .

16. Statement on replicability and how this approach may be applied to other prospective projects.

17. Statement on risk allocation and how this approach will effectively allocate delivery and performance risk to non-Federal entities and minimize Federal direct and contingent liabilities associated with the project.



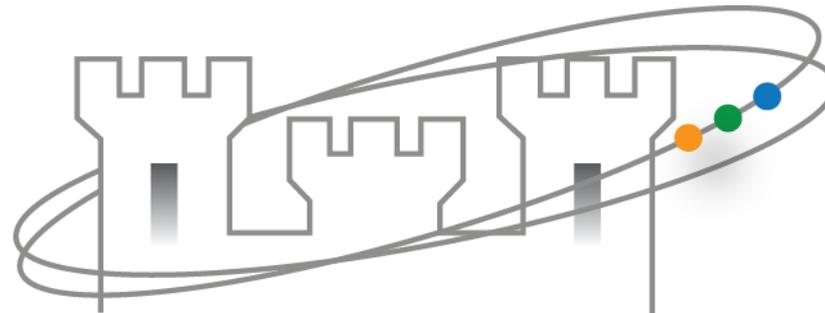
# P3 Program

U.S. Army Corps of Engineers Civil Works

- **USACE CW P3 public website:**  
[https://www.usace.army.mil/Missions/Civil-Works/Infrastructure/Infra\\_P3\\_program/](https://www.usace.army.mil/Missions/Civil-Works/Infrastructure/Infra_P3_program/)
- **USACE CWIFP website:** <https://www.usace.army.mil/Missions/Civil-Works/Infrastructure/revolutionize/CWIFP/>
- **Direct input, feedback, or meeting requests to:**  
[CW.Infrastructure.Team@usace.army.mil](mailto:CW.Infrastructure.Team@usace.army.mil)



# QUESTIONS?



## **REVOLUTIONIZE**

U.S. ARMY CORPS OF ENGINEERS