

# Public-Private Partnership Projects in the United States: Lessons Learned

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Conventional delivery method (Design/Bid/Build) for public heavy civil projects is facing serious struggle with shortfalls in highway trust fund. With an aging infrastructure in the United States, transportation infrastructure needs have been increasing, therefore Federal Highway Administration started encouraging state agencies to seek alternative delivery methods such as Public-Private Partnership (P3) as a solution to this problem. Public Private Partnerships are long term agreements between public sectors and private entities to allow the latter to find alternative ways to design, construct, deliver, maintain and/or finance a project that would otherwise not occur, be delayed or postponed. The United States has taken longer time to embrace the P3 model when compared to other countries in Europe, South America, and Asia due to federal policies on highway funding and to existing laws and standards of practice at state and county levels. Thirty-three states, as well as the District of Columbia and Puerto Rico, have legislation authorizing public-private partnerships. About two-thirds of these states permit a broad range of P3s, while the remaining third limit the model to specific types of projects.

This study aims to look at the results of P3 projects that occurred in the U.S. in the past 30 years in order to identify legislations and factors that impact the success of P3 projects across the country. P3 projects will be split into three categories; small, medium, and large. Small projects being under \$50 million, medium projects between \$50-\$200 million, and large projects greater than \$200 million. Authors will then identify factors that led to their success or failure based on their size, legislation and other factors.

Currently, there are 21 large scale, 2 medium scale, and zero small P3 projects. Out of these 23 projects, 13 of them were deemed successful based on the literature review we were able to assemble so far and the rest of the projects are still either under construction or pending results. It is expected by the end of this study, to showcase all the reasons that led to the success of some of these projects and to the failure of others. This research provides opportunities to state and transportation agencies to identify legislation and factors that lead to successful public private partnership projects. P3 projects have the potential to enable state agencies to speed up the process of getting new highways or bridges without securing up front funding. At the same time, it solves the problems of aging infrastructure and increasing demands on infrastructure facilities. Identifying existing P3 projects that have been already achieved and to present factors that led to their success will encourage the use of more P3 projects in the near future. More importantly, this study will identify many lessons learned when implementing P3 delivery methods which can help various parties avoid similar mistakes and increase chances of project success that will occur in the future.

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