PROPOSED PPEA GUIDELINES ADOPTION

Office of Public-Private Partnerships

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Goals for this Presentation

- Introduce the Public-Private Education Facilities and Infrastructure Act (PPEA) and PPEA Guidelines for VDOT and DRPT

Virginia currently has two P3 enabling Statutes:

- Public-Private Transportation Act of 1995, as amended (PPTA)
- Public-Private Education Facilities and Infrastructure Act of 2002, as amended (PPEA)

Formal adoption of guidelines is the legal prerequisite under the Code of Virginia to identify projects, accept proposals, and officially authorize VDOT to utilize the PPEA

PPEA Overview

PPEA Law

- The PPEA provides the necessary statutory framework for state and local agencies to develop public facilities and infrastructure

Key drivers of PPEA

- Procurement Flexibility
- Innovation & Alternative Delivery
- Lifecycle Cost Efficiency & Risk Allocation

Example VDOT/DRPT Use Cases

- Advanced Traffic Management Systems
- Automation and AI Driven Operations
- Connected Traffic Systems
- Connected Autonomous Vehicle (CAV) Technology

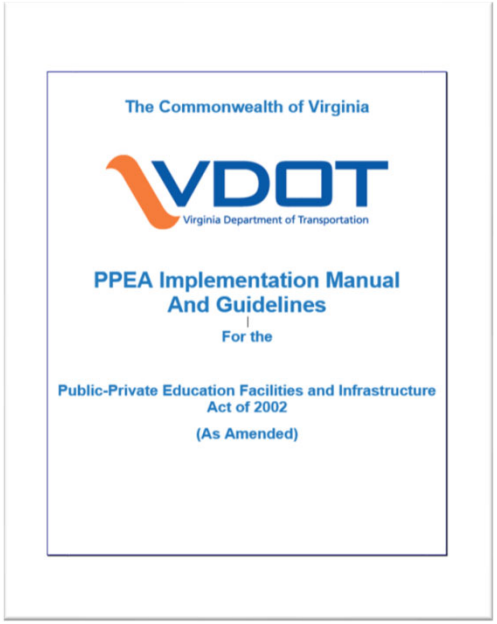
PPEA Consistency and Transparency

- **Unified Project Delivery Framework**
- **Public Interest Comparison**
- **Exceeding Statutory Minimums**

Standardized Delivery Methodology

- Draft Guidelines add early project development steps to confirm a project is technically and financially feasible before it enters formal procurement process.

- The P3 Office uses risk workshops and confidential one-on-one meetings to protect proprietary ideas and allocate risks in ways that maximizes value for the Commonwealth.



PPEA Oversight Roles

CTB receives briefings throughout the process and reviews the final agreement prior to execution. The PPEA also introduces a second layer of review.

Public-Private Partnership Advisory Commission

The Commission advises Commonwealth agencies on financial, policy, and business considerations for proposals submitted under the PPEA.

As defined in the Virginia Code § 30-279, the Commission shall consist of the following eleven members:

- Chair of the House Committee on Appropriations, or designee;
- four members of the House of Delegates appointed by the Speaker of the House
- Chair of the Senate Committee on Finance and Appropriations, or designee;
- two members of the Senate appointed by the Senate Committee on Rules; and
- three Secretaries as defined in § 2.2-200 to be appointed by the Governor to serve *ex officio.*

PPEA Oversight Roles

- **P3 Office:** Leads and coordinates all project development activities and documentation
- **Agency Head:** Approves advancement of projects at each phase and co-signs the Declaration of Public Purpose with the Secretary of Transportation
- **P3 Advisory Commission:** No veto power but can make recommendations
- **CTB:** Receives briefings at the conclusion of each phase and reviews the proposed agreement prior to execution

Required Briefing Documents for CTB:

- **Cost Benefit & Opportunity Cost Analyses:** A detailed economic breakdown justifying the P3 approach over traditional methods.
- **Declaration of Public Purpose:** The formal document signed by the Commissioner certifying the project's public value.
- **Project Fact Sheet:** An updated summary reflecting refined project details, timelines, and scope.
- **Major Business Terms:** A summary of the key commercial and financial structures that will form the basis of the upcoming procurement.

PPEA Procurement Process

What's included

- Projects identified by VDOT or Unsolicited proposals
- High-level Screening report and Detail-level Screening report
- CTB briefed on Detail-level Screening results

Identification & Screening

Goal

- Confirm the project meets agency goals and has public benefit
- Project deemed technically, legally and financially feasible

PPEA Procurement Process

What's included

- Project development activities (geotechnical, environmental, preliminary engineering)
- Cost-Benefit and Opportunity Cost analyses
- Initial declaration of Public Purpose
- CTB briefing on preliminary findings.

Identification & Screening → Project Development

Goal

- Project risk and unknowns reduced before going to market
- Value of P3 delivery confirmed
- Document Public Interest

PPEA Procurement Process

What's included

- RFQ issued and responses evaluated
- RFP issued to short-listed proposers
- Public-Private Partnership Advisory Commission proposal review (45 days)
- Update Cost-Benefit and Opportunity Cost analyses/Final Declaration of Public Purpose
- Public hearing
- CTB briefing on preferred Proposer selection
- Appropriating body review if triggered*
- Comprehensive Agreement Executed



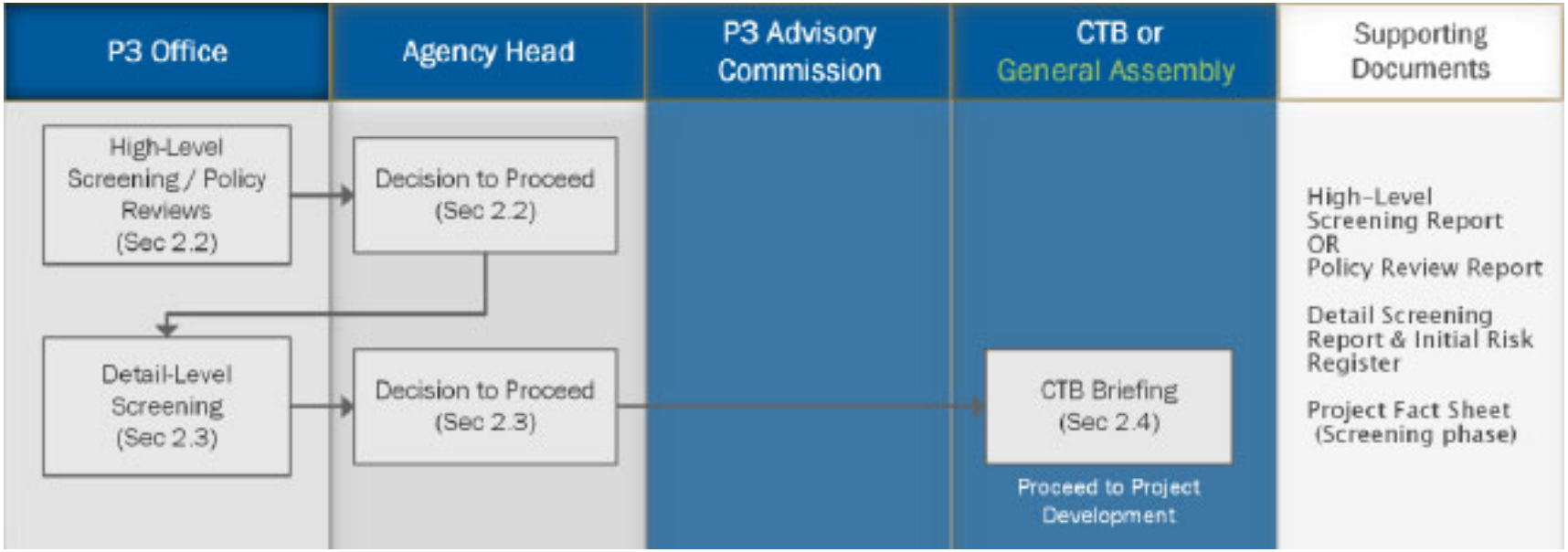
Goal

- Qualified proposer pool established through competitive short listing
- Best value proposal selected
- Legislative review completed by the P3 Advisory Commission
- Comprehensive Agreement fully executed

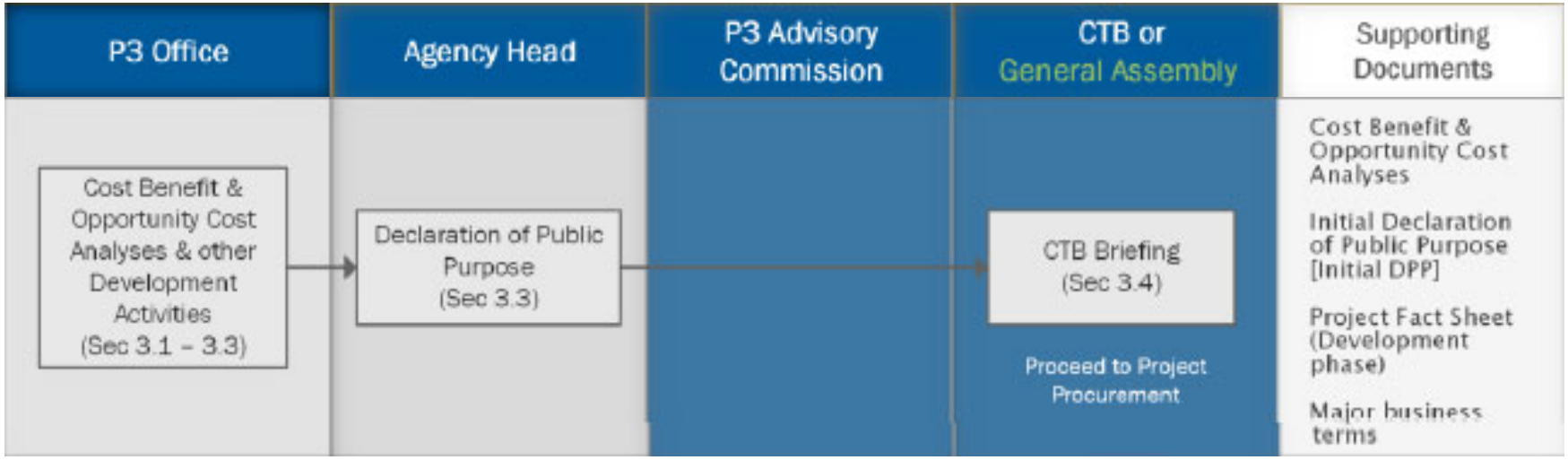
*Appropriating body Triggers when
1)Project creates state tax-supported debt
2)Project requires appropriations beyond the agency's current budget
3)Project significantly limits the Commonwealth's ability to change service levels or funding in the future


VDOT
Virginia Department of Transportation

PPEA Identification and Screening Phase



PPEA Project Development



PPEA Project Procurement

