



# THE FUTURE OF ALTERNATIVE DELIVERY AND INNOVATIVE FINANCE IN TRANSPORTATION

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# WHY ALT. DELIVERY/INNOVATIVE FINANCE

- Share Risk
- Speed Implementation
- Bridge a financial gap
- Target and exploit economic benefits
- Bring expertise and innovation to solve a problem
- Transfer long term maintenance/operational responsibilities

# WHICH ASSETS ARE FAIR GAME?? ALL OF THEM

- Bridges
- Roadways (tolled lanes, general purpose lanes)
- Pump Stations
- Tunnels
- Freeway Lighting
- Rest Areas
- Roadsides, etc
- Rail (light rail, high speed)

# THE METHODS

- Design Bid Build – the Standard
- Design Build
- Construction Manager/General Contractor (CMGC)
- Fixed Price Variable Scope
- Progressive Design Build
- Public Private Partnerships

# REWARDS

## Time/Innovation/Inflationary Cost Savings

- Removes assets or asset classes from day to day DOT responsibilities
- Allows increased use of innovative materials and methods
- Assets are maintained/operated at a prescribed level of service for a lengthy time frame
- Assets are returned back to the agency at a specified condition state
- Allows agencies to focus on core mission/core assets
- As state legislatures are constantly paring back the size of DOT's, allows agencies to shrink "non-essential" employee footprint

# RISKS

- Vendor performance/long term viability
- Selecting the appropriate projects
- Loss of competition at certain levels
- Loss of agency institutional knowledge/Expertise
- Long term debt
- Direct Accountability to Public is diluted
- Major firms pulling out of the P3 Market due to risk allocation issues