

Achieving Public-Private Partnerships in Construction

Public-Private Partnerships (PPP or P3) are partnerships between private and public sector entities to supply funding, often for construction or renovation. Typically, this type of financing is provided before the end of building with no further obligation to other kinds of financing. These types of agreements can be structured to best suit both parties.

Public-private partnerships are becoming more and more popular as a way to fund significant development projects. Traditionally these have been commonly used by universities, hospitals, and sporting organizations. These partnerships are being seen across the board in places such as housing, essential utilities, agriculture, and environmental conservation.

Successful Strategies for Public-Private Partnerships in Construction

When done correctly, public-private partnerships can deliver high-quality finished projects, on time and budget. To have an effective public-private partnership, be sure to keep these strategies in mind:

Have A Shared Vision

A shared vision is important because it conveys why the project is essential to each party. This will help everyone maintain focus and make sure that the project stays in front of their mind. The vision should include a crystal clear end goal and the steps it will take to get there.

Get A Great Development Team

It is important to have developers with lots of experience in public-private partnerships. To have an effective team, it may be necessary to hire specialists in areas like redevelopment, bonds, and the specific municipality.

Focus On Preparation

The correct preparation and planning for the project is absolutely crucial, so you will want to make sure to exceed due diligence in every area. It is also of the utmost importance that anyone hired or contracted to be appropriately vetted and meets all job requirements.

This type of diligence and planning will help avoid problems and failures that could add extra time and money to the project.

Build A Relationship

One of the very best ways to ensure a successful public-private partnership is by building a solid relationship with your partner that goes well beyond your need for funding for a project. Having a good rapport will also help when problems do arise, and you must work out solutions.

Be Fair And Transparent

Both partners should share equally in the risks and rewards of the project. Fairness and transparency are the cornerstones of making good deals that both sides can feel comfortable with. This may cause the project a harder sell to the respective constituents, but it will help later on, as no one will feel blindsided.

Define The Decision Making Process

For the partnership and the project to run smoothly, there will need to be a clearly defined decision-making process. It is essential to know who makes decisions and how, to keep the project moving along at a reasonable pace.

Successful Public-Private Partnerships

Having an effective public-private partnership in construction is an excellent way to get large-scale projects taken care of.

Be careful to be clear in your dealings and be prepared for things to move slowly. It may be a bit of a process, but these partnerships are a great way to get things done and build a good relationship for the future.