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Husch Blackwell Report Explores the Rise of Hybrid P3 Model

Husch Blackwell is pleased to announce the release of its third annual Public-Private Partnership Report and the results of its sixth annual survey of registrants attending the Public-Private Partnership Conference & Expo (P3C), held in Dallas, Texas, March 2-4, 2020.

Conference registrants were surveyed on various topics relating to the health of and appetite for public-private partnership (P3) arrangements to deliver a wide array of infrastructure projects, including roads, bridges, airports, stadiums and arenas, courthouses, student housing, and waterworks, among other project types. The survey asked respondents—both representatives of government entities and private businesses—to indicate their current level of involvement with public-private partnership projects, favorability of P3 projects, and expectations for utilizing P3 in the future, among other questions.

Notable survey results include:

Over half of both public (54 percent) and private (68 percent) respondents saw their organizations pursuing a P3 project for the construction of government facilities in the next three years

57 percent of all respondents confirmed having participated in a P3 procurement where the public partners ultimately decided not to include private equity financing

Approximately 64 percent of private-sector respondents listed financing options as a strong or good reason to doing a P3 project, as opposed to just 46 percent of public-sector respondents

“What we’re seeing over time is the emergence of a hybrid model for the procurement of large infrastructure projects,” said Charles Renner, the head of Husch Blackwell’s P3 practice group. “Procurement is a highly fluid process that is affected by a number of dynamic factors, and this in turn impacts how governments structure these deals, whether or not they use private financing, and how they choose to approach a project’s lifecycle costs. There are an increasing number of projects that utilize a P3 procurement process, but may not ultimately satisfy the definition of a traditional P3.”