

About the Public-Private Partnership Act

What is the P3 Act?

The Public-Private Partnership Act (P3 Act) is a bill that would enable government to streamline procurement for infrastructure by bundling planning, design, construction, operations, and maintenance into a single procurement.



Why we need it

A Public-private partnership (P3) is procurement model that uses an integrated approach to deliver infrastructure. P3 legislation has been widely adopted across the United States, including most recently Florida and Oklahoma, due to the extensive cost savings and efficiency of P3s. Texas needs this legislation to remain competitive with other states in infrastructure development.

The P3 Act would replace existing legislation with a more streamlined and less prescriptive approach for procuring P3s in a manner similar to design-build and construction-manager at-risk procurement. The P3 Act is patterned after legislation adopted in other states that has been widely accepted by the infrastructure industry.

Key Features

- ✓ **Broadly applicable.** The P3 Act would be available to most state and local governments, including cities, counties, ISDs, higher education institutions, and local government corporations.
- ✓ **Vertical and horizontal infrastructure.** The P3 Act would enable governments to procure services for both vertical and horizontal infrastructure, such as public buildings, recreational facilities, courthouses, entertainment venues, and related infrastructure.
- ✓ **Mixed-use development.** The P3 Act would enable governments to effectively leverage public projects to attract business activity and enhance community appeal through mixed-use development.
- ✓ **Transparency and Accountability.** The P3 Act does not compromise transparency and public accountability. All projects require public approval at the solicitation stage and the final approval stage.

Limitations

- ✗ **No purely private projects.** The P3 Act does not allow for purely private development. Private use is permitted only in connection with public infrastructure development.
- ✗ **No toll roads.** The P3 Act cannot be used for toll roads or other projects under TxDOT's jurisdiction.
- ✗ **No extra-territorial projects.** The P3 Act cannot be used for projects lying outside a local government's jurisdictional boundaries.