Strategic initiatives

Guiding alternative delivery decision-making and application

Preparing for an alternative delivery procurement requires public sector decision-makers to choose a delivery model that yields the greatest benefit for their constituents. Alternative delivery shifts varying degrees of responsibilities and risks to the private sector, thereby changing the metrics by which public sector entities evaluate the benefits of project delivery methods.

WSP USA supports informed decision-making by providing program development, project screening and alternative delivery services. We deliver project feasibility, market analysis, revenue forecasting, value capture analysis, financial planning, value-for-money analysis and procurement management.

We help public sector leaders conduct a competitive and successful procurement process, and establish the framework for long-term asset performance and value.

Our services

WSP advises public sector agencies and their private partners on strategies to achieve their objectives when using alternative delivery, including design-build, construction manager/general contractor, construction manager at risk and public-private partnerships (P3).

We have worked on over 100 transactions and nearly 100 value capture structures in the U.S. Our team focuses on the pre-development phase of procurement, helping to lay the foundation for success with the following services:

- **Policy and Legislation**: We assist decision-makers in understanding the policy and regulatory environment, and develop strategies to mitigate risk.

- **Program Development and Capacity Building**: We advise on the organizational framework needed for alternative delivery, help to build internal capacities, and help clients navigate the programmatic challenges of implementing alternative delivery approaches.

- **Procurement Options Analysis**: Our team helps clients identify and understand the ramifications of various procurement methods and scenarios.

- **Project Screening**: Using qualitative and quantitative processes, we help identify and refine project scopes that deliver the greatest benefit to constituents.

- **Business Case Development**: We articulate the value of alternative delivery and communicate the mechanics to collaborate effectively with stakeholders including public agencies, financiers, rating agencies, investors and developers.

- **Financing and Funding Analysis**: We outline available financing and funding resources, and help agencies chart a course for project development that is both realistic and delivers the project at the best value.

- **Value Capture**: Innovative financing structures include tools such as tax increment financing, special assessments, air rights, and joint development, which can help close funding gaps or repay investments in public infrastructure.
Our experience

MTA PURPLE LINE
The Maryland Department of Transportation and the Maryland Transit Administration are currently delivering the Purple Line light rail transit project, valued at more than $2 billion. WSP has supported the project since the early planning and assisted the client in securing federal funds. We conducted project delivery screening, value-for-money analysis and served as the lead solicitation advisor for this design-build-finance-operate-maintain availability payment P3. We managed a complex team of financial, legal and technical advisors through to the final P3 agreement negotiation with the selected proposer.

O’HARE EXPRESS RAIL P3 FEASIBILITY AND PROCUREMENT
WSP completed a preliminary engineering and financial feasibility study on express train service between Chicago’s Loop and O’Hare Airport. We developed ridership and revenue forecasts as well as capital and operating cost estimates for several alternatives. We produced cash flow projections to assess borrowing capacity and ability to secure the funding needed to deliver the project. Our work also included a preliminary risk profile and procurement plan.

ARIZONA I-10 DESIGN-BUILD
WSP provides comprehensive technical and procurement support to the Arizona Department of Transportation (ADOT) as it works to widen one of the most congested traffic corridors in the Phoenix metropolitan region. We assisted ADOT in determining the appropriate delivery model as well as drafting the procurement documents, technical specifications and the project agreement. Key deliverables included developing approaches to attract competition and gain industry input; identifying methods to mitigate project-specific risks; and advising on ways to structure the project administration team for successful oversight, quality assurance and contract management.

HENRY J. DALY BUILDING
WSP serves as the project management and technical advisor for the Washington, D.C.’s Department of General Services and the Office of Public-Private Partnerships. In this capacity, our team supports both entities in the redevelopment of the Henry J. Daly Building and its delivery as a P3 project. We are advising on technical aspects, risk assessment, as well as defining its procurement strategy and tender documentation.

CALIFORNIA HIGH-SPEED RAIL
WSP serves as the lead in evaluating the development potential at the 25 California High-Speed Rail stations. We have assisted in creating new legislation that provides dedicated and sustainable revenues pledged to support high-speed rail stations and infrastructure and affordable housing within station area plans being created.

POTOMAC YARD METRORAIL STATION
Alexandria, Virginia sought to investigate innovative strategies to finance a new rail station, adjacent to a rapidly developing former rail yard, which will establish a new access point to the regional Metrorail system. WSP compared several station locations, development scenarios, value capture mechanisms and financing options to support the development of a preferred strategy. With a combination of special district financing, net new tax revenues and developer contributions, our analysis showed that the $240 million station could be financed solely on the revenue generated by the nearby development, without impact on the city’s existing tax base.

MINNESOTA P3 SCREENING AND ASSESSMENT
The Minnesota Department of Transportation (MnDOT) developed a list of 40 transportation projects from among its statewide priority investments and asked our team to screen these projects to determine those best suited for alternative delivery. Based on our assessment, four projects were found to exhibit characteristics that make them good candidates for P3 delivery, have a strong potential to generate cost and schedule efficiencies, and could be further analyzed for delivery under a design-build-finance-operate model. Our team then developed a strategic road map to help MnDOT build a P3 program and move the identified projects to implementation.

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