

Reasons to Pursue a P3... or Not

For some schools, and on some projects, a public-private partnership ("P3") is the right answer. For others, it's the wrong one. When does it make sense for a school to consider a P3?

A school might consider a P3 if it...

- 1 Is unable to finance
- 2 Wants to avoid cumbersome procurement structures
- 3 Requires a faster delivery time
- 4 It has very stringent state construction requirements and delivery method options
- 5 Could benefit from development expertise
- 6 Sees an opportunity for land assemblage
- 7 Requires management and operating expertise
- 8 Would get a significant financial return
- 9 Could benefit from risk transfer

A school would likely *not* consider a P3 if it...

- 1 Is concerned about losing control
- 2 Is able to finance and achieve a lower cost of capital
- 3 Lacks procurement challenges and the ability to utilize alternative procurement options (design-build, etc.)
- 4 Has the appropriate skillset and leadership on the project to drive it forward
- 5 Has the appropriate facilities and operations expertise
- 6 Can consider a range of construction standards and delivery methods
- 7 Is concerned that the new asset would impact its current balance sheet and operations
- 8 Is located where legislation inhibits utilization of P3s