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November 26, 2018

Representative Mike Duffey
Ohio House of Representatives
77 South High Street, 13th Floor
Columbus, OH 43215

Honorable Representative Duffey,

Johnson Controls strongly supports HB 668, the Revised Code to authorize state agencies, state institutions of higher education, counties, townships, municipal corporations, school districts, community schools, STEM schools, and college preparatory boarding schools to enter into public-private initiatives with a private party through a public-private partnership (PPP) agreement regarding public facilities. Allowing public agencies to utilize a design-build-finance-operate-maintain infrastructure delivery, would spur private investment in public buildings and provide an overall stimulus to the economy through local jobs and improved community image. PPPs have been critical as a means of delivering projects on time, on budget, and with greater value to taxpayers over the long-term.

PPP projects such as the Long Beach Civic Center, the expansion of the University of California Merced campus through Project 2020 and the recently awarded Howard County Courthouse (MD) are strong examples which have not only saved millions of dollars but have moved forward much faster thanks to the PPP delivery approach. Value for money analyses have documented that a PPP approach can typically save a public agency between 10-25% of a facilities costs over the period of the contract as compared to a traditionally delivered building.

The public-private agreement allows for a greater risk transfer to the private sector in the delivery of public infrastructure which creates greater value for the public than traditional delivery methods. By the nature of their long-term contract, PPPs employ lifecycle design principles that preserve asset value for the State because the facilities are returned at a predefined condition which ensures many years of useful life at the end of term. The PPP agreement is performance based contract which typically specifies greater levels of service delivery and response by operations staff. Key risks associated with the availability and quality of space will be transferred to the PPP operator and under terms of the project agreement will face deductions to its monthly payments if it does not meet the performance criteria. It is important to note that the public agency retains ownership throughout the contract, the focus of a PPP is to provide the best value and performance in its delivery of assets and services for the benefit of the general public.

Johnson Controls is in full support of HB 668 and we urge you to pass it as a new tool for public agencies to rebuild their critical public infrastructure. Public-private partnerships have proven to deliver projects faster, cheaper, and with greater performance over the long-term.

Sincerely,

A handwritten signature in black ink, appearing to read 'Claudio'.

Claudio Andreetta
Director, P3 Business Development
Johnson Controls