

**Sponsor Testimony for House Bill 91**  
**House Infrastructure and Rural Development Committee**

Chairman Stoltzfus, Vice Chair Dean, Ranking Member Brown, and members of the House Infrastructure and Rural Development Committee:

I thank you for the opportunity to testify before you today on House Bill 91. This legislation grants certain public entities the authority to enter into public-private partnership agreements (often called P3s) for the construction and/or renovation of public facilities/buildings.

A public-private partnership is an alternative procurement model for public infrastructure, in this case, buildings. The goal of the P3 model is to transfer the risks best managed by the private sector to the private sector, allowing the public sector to focus on its core mission and strengths.

This bill contains guardrails to ensure the partnership is productive and beneficial to the public. Public ownership of the asset is retained throughout the duration of the project. The private sector designs, builds or retrofits, finances and maintains the public asset for up to a 40-year term, and the private sector will incur financial penalties for substandard performance. This bill requires facilities to be handed-back to the public owner at the end of the contract in a pre-defined good or better condition.

This bill grants authority to enter into public-private partnerships to the following entities:

- Political subdivisions – counties, cities, townships
- State agencies
- State colleges and universities
- Public schools
- Public libraries
- Port authorities

Similar to the process currently allowed for P3s at the Ohio Department of Transportation, this bill allows for alternative procurement process, specifically acceptance of unsolicited bids, consistent with industry practices. Moreover, the bill requires notice and solicitation of additional bids to preserve open, competitive bidding in the event the unsolicited bid is accepted.

This bill does not require any entity to engage in P3 contract or project and does not require the public entity to accept an unsolicited bid. The bill does not alter any other mandated requirements such as prevailing wage or minority contracting.

It is my firm belief that P3s will prove to be extremely beneficial to the state of Ohio in this expanded capacity. We have seen their benefit in transportation infrastructure. They provide for continuity and stability in managing, design, construction, and repairs/maintenance, as there is only a single contract to manage such work, instead of multiple contracts and vendors. P3s create a single source of responsibility for all consultants, contractors and deliverables. These projects also provide cash-strapped local entities access to capital to meet deferred maintenance and construction needs. P3s can be structured so financing is not viewed as a debt service obligation for the public entity preserving its credit rating. In the era of coronavirus, authorizing the use of P3s will provide a powerful and useful tool for local governments struggling to respond to needs and provide services under the financial constraints of Covid-19.

According to an independent study done by Beacon Hill analyzing the cost savings and economic benefit driven by P3s, they found that every dollar in P3 investment generates \$2.80 in economic activity, and can produce up to a 25% cost savings over the life of the project compared to traditional building methods. 32 states, including Ohio, currently allow P3s for transportation infrastructure projects. 15 states allow P3s for buildings or “social infrastructure”, including our neighbors Indiana, and Kentucky and that is the goal of HB 91.

I firmly believe the expanded role of P3s in Ohio will have a resounding positive economic and social impact on the state, and we should catch up with the other 15 states already reaping these benefits. Thank you for your time and consideration. I hope you will join me in supporting this legislation. At this time, I would be happy to answer any questions.