



Strategic Partnerships, Inc.

Partnering Public & Private Entities

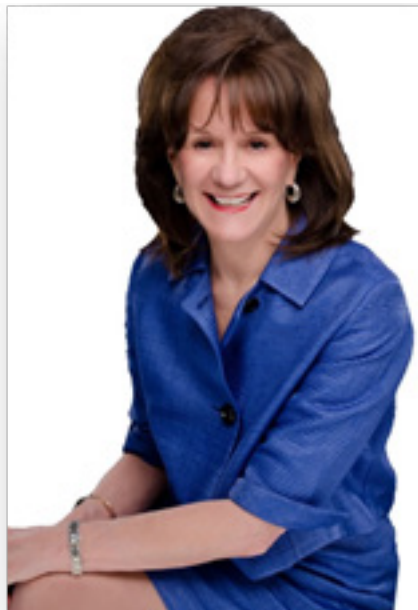




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Mary Scott Nabers



Mary Scott Nabers is President/CEO of Strategic Partnerships, Inc. (SPI), a full-service business development firm specializing in procurement consulting, government affairs, research and public-private partnerships (P3s).

A former statewide office holder in Texas, Mary founded Strategic Partnerships in 1995. She is also the co-founder of the Gemini Global Group.

Mary is a recognized expert in public-private partnerships and the author of *Collaboration Nation - How Public-Private Ventures Are Revolutionizing the Business of Government*.

Mary speaks regularly at business conferences and writes for numerous business publications. She has been published by Forbes, CNBC.com, CEO-Read, Change This, The Hill, Politico and other media outlets.

Mary holds an MBA degree from The University of Texas at Austin and serves on the Texas Exes Council and the Chancellor's Executive Council. She is active with the Forty Acres Scholars Program and is a partner and mentor at the Capital Factory, an ecosystem for technology start-up firms.



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Company Overview

Strategic Partnerships Inc. (SPI) is a unique business development firm specializing in procurement consulting, customized research, government affairs, knowledge transfer, communications and public-private partnerships.

Founded in January 1995, SPI is the largest procurement consulting firm of its type in the United States. Consultants at SPI are all experts in various areas and represent all jurisdictional levels of government. Clients get the benefit of

their decades of knowledge, experience and record of success. No other business development firm offers the comprehensive suite of services that SPI provides.



Austin, Texas Skyline

SPI consultants and researchers have provided services to both public and private sector clients and the company has been recognized as a leader in partnering public and private entities since its founding.

Consultants, researchers and communication professionals are also heavily involved with public-private partnerships (P3s). SPI's founder, Mary Scott Nabers, is nationally recognized as an expert on public-private partnerships and is a sought-after speaker at conferences across the country. She is the author of *Collaboration Nation: How Private Ventures Are Revolutionizing The Business of Government*.



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Making a Public-Private Partnership Decision

By: Mary Scott Nabers

America is truly at a crossroads! Public officials are being called on to be visionary, innovative, creative and bold in their oversight and upkeep of the nation's infrastructure and government assets at a time when budgets are shrinking and resources are stretched to the limit.

Governmental entities are being asked to do more with less and too many citizens are unaware of budgetary issues, especially at the regional and local levels of government. As a result, all types of large public projects are languishing for lack of funding and resources. America's position as a global economic leader hangs in the balance if public officials don't find ways to perform under these difficult circumstances.

Public-private partnerships are one of the most attractive procurement options available for government executives. Private-sector capital is readily available from hundreds of sources. And, because of the extremely competitive

marketplace for investment capital, funding can be secured at historically low rates. Not only will private investments make it possible to launch long overdue, much-needed projects immediately, but private-sector expertise is also a valuable commodity. Coupled with collaboration from partners who are willing to take on the risk of a P3 project, it is difficult to understand why some public officials are slow to embrace P3s.

It is important to remember that public-private partnerships have moved America forward for decades. Most of the early transportation projects resulted from collaborative efforts and private-sector capital. The concept has been proven repeatedly and there are hundreds of successful examples of recent collaborations.

So...whatever the project, whatever the timeline – a public-private partnership engagement should be under consideration as a procurement option for officials at all levels of government.

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Thinking about entering into a P3 engagement? Good For You!

Here are some things to consider:

- What is the driving motivation for a P3 project engagement?
- Is the project suitable for a P3?
- Are there assets or public funds to augment private-sector capital investment?
- Have other funding options been considered and compared?
- What type of P3 engagement is being contemplated?
- Do financial executives support the idea of a P3?
- Will stakeholders support a P3?
- What kind of internal expertise is available?
- What kind of external expertise will be required?
- Has a business case been developed that justifies a P3?
- What kinds of risks have been identified?
- Has a document been developed that describes benefit expectations?
- Is there an internal or elected official willing to champion the project?
- Are there historical or political obstacles to overcome?
- What other obstacles should be anticipated?
- Has a Civic Outreach Plan been developed?
- Will the Outreach Plan be implemented internally or externally?
- Has a document been developed that describes success?
- What is the anticipated timeline from start to finish?
- Has any outreach been initiated to potential private-sector partners?
- Has any outside vetting of the project occurred?
- Are you ready to bring in consultants to assist with vetting the project?



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Higher Education & P3s

By: Mary Scott Nabers

There's a \$30 billion problem looming on higher education campuses nationwide. Campuses that expanded during unusually large student population growth during the 1960s and 1970s are now dealing with facilities that are more than half a century old. Not only are the facilities aging, many will become unusable if something is not done soon. Most have deferred maintenance reports that date back for decades... and now, the immediate maintenance needs represent a multi-billion-dollar dilemma.

Public-private partnerships (P3s/PPPs) are attractive to university officials because these types of engagements offer immediate relief. Private-sector capital is available along with great talent and expertise, leading-edge technology, risk-free project oversight and ongoing main-

tenance agreements that last for decades.

Student housing is usually one of the first targets for a P3 engagement. Since 2010, more than 64,000 new beds at more than 100 different U.S. campuses have been



financed and constructed and are currently being maintained by private-sector partners. The trend is only going to escalate in the next few years.

The Texas A&M University System selected private-sector partners beginning in 2013 to construct a total of

approximately 4,000 beds at four different System campuses. The university's solicitation documents listed specific requirements, expectations, success measures and timelines for each of the projects, including maintenance. This type of engagement is becoming common throughout the U.S.

The University System of Georgia in 2014 launched a public-private partnership for a student housing project that also covered multiple campuses. The System entered into a P3 engagement for a project that included 3,600 new beds and approximately 6,200 existing beds. The private-sector partner assumed responsibility for capital investment funds, development, construction, management and maintenance of the facilities.

The University of Califor-



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nia Merced reached out to private-sector partners as it launched a \$1.34 billion campus expansion. A private developer was selected to design, build and maintain a planned 1.2 million-square-foot facility. Similarly, Montclair State University in New Jersey also elected to use a P3 engagement. The university selected partners that included both a nonprofit and a private-sector firm to design and construct a \$211 million, 2,000-bed student housing project that was funded through tax-exempt bonds. The partners will own, manage and maintain the buildings for 40 years or

until the bonds are repaid. The facility will then revert to the university. Montclair State officials were more than pleased to get a new 2,000-bed facility and are delighted not to have to worry about maintenance costs for the next 40 years.

If, as most predictions indicate, funding for public universities continues to decline, public-private partnerships will become even more attractive as alternative funding options. Tuition increases, campus fees and alumni donations cannot begin to close the gap between available funding and critical facility needs.

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Are P3s the Answer to Public Funding for Higher Education?

By: Mary Scott Nabers

Is there anyone who does not know about the funding crisis in higher education? After headline-grabbing budget cuts in dozens of states with strong public universities, there is even more urgency to find new funding options.

Almost every state in the nation has made significant reductions to public funding for higher education. Between 2000 and 2012, state-supplied revenue per student fell by 37 percent and student populations grew by 45 percent. That is jaw-dropping data!

In this environment where public officials must “do more with less,” well-placed public-private partnerships (P3s) offer an attractive option to university executives. Collaborative efforts between industry and public colleges and universities offer long-term benefits to both parties. The P3 projects have been

diverse. Some involved construction of new facilities, research labs, sports stadiums or student housing. Other types of P3s have resulted in revenue-producing development on university campuses.



Other countries are well ahead of the United States in leveraging these types of collaborative efforts. Among developed nations, the UK, Ireland and Australia have the

strongest history and the greatest investment in P3s in higher education. Currently, privatized student housing developments are the most prominent form of P3 activity in the U.S.

In May 2015, New Jersey City University broke ground on a \$400 million residence hall designed to double the school's student housing capacity. Texas A&M University in College Station also recently announced a plan to partner with two private firms to develop and manage a 3,400-bed student housing complex.

At the University of California, Davis, a partnership recently secured nearly \$7.5 million in grants to explore a project that will involve development of a Zero Net Energy (ZNE) development design. The university also has announced plans to build a photovoltaic plant

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near campus that will provide 14 percent of the energy needs for the entire UC Davis campus.

Beyond housing projects, P3s in higher education have been successful in a variety of other settings. Metropolitan State University of Denver partnered to build an on-campus hotel that greatly enhanced the school's hospitality education program. Partnerships with real estate development firms and City University of New York and Stanford University resulted in turning underused university-owned properties into revenue

streams, quickly and efficiently. All parties benefited from the results.

Technology firms are also beginning to develop innovative partnerships with universities. Cisco's Networking Academy uses the P3 model to create the "world's largest classroom" with more than 9,000 academies in more than 170 countries. The technology sector is also developing research incubators and technology development sites at The University of Texas at Austin, The Greater Philadelphia Innovation Cluster and the University Research Corridor (a coalition

among Michigan State University, the University of Michigan, Wayne State University and corporate partners such as Pfizer).

There is little argument about the value of collaborative partnerships. In fact, P3s are among the most attractive funding options for colleges and universities in America. If you are interested in learning more about P3s in higher education, contact our sales team for the latest P3 news and research.

Hats off to visionary public leaders for charting new territory!



Texas State Capitol Dome



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Making Public-Private Partnerships Work in Higher Education



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