



Association for the Improvement
of American Infrastructure

****FOR IMMEDIATE RELEASE****

Leading P3 Association in the US releases its First Principles of Risk Reference Guide

New York, NY – April 9, 2024 – The Board of Directors of the Association for the Improvement of American Infrastructure (AIAI) today approved the release of the First Principles of Risk Reference Guide to the United States infrastructure industry, marking a pivotal moment in the advancement of Public Private Partnership (P3) procurement practices.

The P3 Risk Guide is designed to provide a comprehensive, plain English, first principles understanding on how key contractual terms and concepts related to P3 project risk are generally approached in the United States P3 market. By establishing a broadly accepted market position on key issues, the document is intended to assist in facilitating clear, direct and productive communication between all parties involved in P3 projects. The expectation is that by having such a widely accepted market document, it can serve as a tool at managing proposer expectations of where a P3 project is relative to the guide at the earliest stages of a procurement and therefore should assist in streamlining negotiations and encourage more productive collaboration among agencies, developers, and other stakeholders at the earliest stages of a transaction.

"The P3 Risk Guide serves as a starting point for meaningful conversations by fostering consensus on key areas of risk allocation and effectively managing that process, so we can create a more conducive environment for negotiations and the expedition of successful project delivery." said Lisa Buglione, Executive Director at AIAI.

AIAI's Board of Directors collectively applauds the work of the association's members and P3 Direct participants who each assisted in the document's development and comments phase, which yielded hundreds of comments and hours invested by public sector financial, legal, technical advisors, infrastructure investors, lenders, developers, contractors, sureties and operations / maintenance providers and most importantly, public sector owners from various State and local agencies across the United States for their extraordinary diligence and efforts. William A. Marino, AIAI Board Chairman, expressed that "ensuring that the document was developed with a balanced perspective was essential to safeguarding the integrity of this challenging endeavor and having a document that represents broad based commonality among each of the key stakeholders in a P3 transaction was a critical part in its development."

On the process to get the document to the point of release, AIAI Board President, Sam Chai remarked, "Over the last few months, the Association has reached out to industry professionals, both public and private, and incorporated their feedback to create a balanced document which is very much representative of industry. I have no doubt that this document will prove invaluable to owners as they procure critical infrastructure."

Owners are also weighing in on the importance of a comprehensive outline on risk. "I really appreciate AIAI's collaborative work by providing this guide," said Russell McMurry, Commissioner of the Georgia Department of Transportation. "It provides public owners with a critically important view of risks and how best to eliminate, mitigate or manage when developing contracts. This is a great tool for an owner to use in contract development."

The Association for the Improvement of American Infrastructure
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AIAI will continue to pursue feedback by engaging with industry associations in the P3 community so that expert input is regularly incorporated with the goal being industry-wide adoption of the document.

Comments are welcomed during the industry opportunity to comment period which will commence on May 1, 2024 and end on June 30, 2024. AIAI also expects to hold several industry townhalls to discuss the document and solicit feedback, as well as engage in a roadshow with various industry stakeholders to continue to enhance the document's utility and profile in the market.

The publication of the First Principles of Risk Reference Guide underscores AIAI's commitment to promoting best practices and enhancing the effectiveness of the P3 procurement process. As owners and developers seek to navigate the complexities of infrastructure projects, this document will serve as a valuable resource to approach risk discussions effectively, and positively guide decision-making.

For more information about the First Principles of Risk Reference Guide and AIAI's ongoing initiatives in the P3 space, please contact Carol Todd at ctodd@aiai-infra.org

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AIAI

AIAI is an action-driven, member-led organization made up of the leading minds in the industry, solely dedicated to moving P3s forward and strengthening American infrastructure. AIAI serves as a resource for industry leaders, legislators, municipal officials and other key decision makers as they consider P3 as an alternative solution to address our Nation's infrastructure. Its mission is to create an environment where public and private entities work to promote growth and sustainability of America's Infrastructure, fostering innovative solutions in the form of policy, product and delivery. AIAI members share a passion for American infrastructure, a conviction that it matters and a commitment to improving lives through P3 partnerships. Through its P3 Direct program, AIAI is actively engaging hundreds of government agencies and departments of transportation as it seeks to fulfill its mission of advancing infrastructure projects in the United States.

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