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Partnerships key to rebuilding NY

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Anyone who uses the Goethals or the Tappan Zee Bridge knows the importance of replacing these aging, obsolete structures with modern, safer and larger-capacity crossings. What may be less obvious, however, is that these projects are vital test cases for a new approach to rebuilding the area's infrastructure.

Recent history has taught us that government must change the way it does business in order to meet New York's massive infra-

structure needs. The longstanding model, where government agencies and authorities depend on their own balance sheets and internal staff to implement massive projects, is not cutting it. Time and time again, critical city-shaping projects have gotten bogged down in delays, cost increases and changes in scope.

Fortunately, it appears that government is addressing the challenge. First and foremost, the Port Authority is pursuing a public-private partnership, or P3, to replace the Goethals. As currently envisioned, the Port will select a consortium of private firms to fully design, build and maintain a new bridge. More important, the consortium will also be responsi-

ble for financing the project and getting it done on budget, in return for a negotiated return on its investment.

Such an arrangement offers the benefits of private-sector expertise, management and efficiency while shielding the Port (and thus commuters) from major cost overruns. A P3 would also permit the project to move forward immediately rather than waiting years for the funds to become available through the Port's constrained capital plan.

Although the Cuomo administration elected not to use a full P3 to rebuild the Tappan Zee, the state is employing a "design-build" process, which also will make greater use of private-sector expertise. The state

recently selected four design-build consortiums to bid on the entire project, from initial design through completion. This approach promotes integration among architects, engineers and construction firms, all of which are involved in the project. Such coordination will cut down on disagreements and confusion, which often lead to design changes, delays and major cost overruns.

The key now is to get it right. Taxpayers are understandably leery of any process that would involve the private sector profiting from public infrastructure. The Port Authority and New York state must prove that they can create a transparent process, short on bureaucratic red tape and long on cost containment and private-sector innovation. They must ensure that responsibilities are clearly defined and consistent, and they must move with a sense of urgency.

While P3s are new to the region, they have been employed successfully around the world and in a number of states. The trick is to adopt the best practices from other locales while also tailoring a program that responds to the unique complexities of building in the New York region.

If we do this right, government will have done more than build two new bridges. It will have set the stage for P3s to be part of the solution to many of our most pressing capital needs.

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