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Construction Team to Deliver AZ's First P3 Highway 3 Years Early.

Dive Brief:

- The Arizona Department of Transportation has reported that the public-private partnership (P3) constructing the \$1.9 billion Phoenix-area Loop 202 South Mountain Freeway will deliver the project in late 2019, three years ahead of schedule, according to Equipment World.
- The P3's private component, Connect 202 Partners — which is made up of Fluor Enterprises, Granite Construction, Ames Construction and WSP — restructured the 22-mile project so that the last section could be built all at once instead of as nine separate projects as the state originally planned.
- This is the first time a P3 has been used for a highway project in Arizona. Connect 202 Partners will also maintain the Loop 202 addition for 30 years.

Dive Insight:

ADOT awarded the project to Connect 202 Partners in December 2015, but it was an unsolicited proposal in 2013 that pushed the agency to consider entering into a P3 for Loop 202. ADOT previously projected that, upon completion, the new highway would provide a \$200 million economic benefit to the area by saving commuters 15 million hours of drive time every year.

This isn't the only P3 to be inspired by unexpected pitches from the private sector. In May, Kansas City, MO, construction firm Burns & McDonnell sent city officials a \$1 billion proposal in which they offered to finance a new Kansas City International Airport terminal. Two weeks later, international engineering and construction giant AECOM sent the city a letter suggesting integrated project delivery was the way to build a new terminal and asked to be part of the process.

Soon after, Kansas City officials decided to move forward with a P3 for delivery of a new terminal and issued a request for proposals for a 750,000-square-foot, \$1 billion terminal and parking garage. Bids for the project are due next week.

In February, Los Angeles County Metrorail officials also reported that they had received several unsolicited P3 proposals from teams — including Skanska USA-Kiewit Infrastructure and Parsons Transportation Group-Cintra US Services — that wanted to deliver two major transportation projects, the Sepulveda Pass Transit Corridor and the West Santa Ana Branch Transit Corridor.. The agency said using a P3 could help bring the projects on line 14 to 15 years earlier than planned.

Government agencies are increasingly using P3s to take on large transportation projects, typically those with lengthy operations and maintenance components. Organizations like the American Road & Transportation Builders Association say P3s will continue to play a role in future projects, and they will also be a key component of President Donald Trump's \$1 trillion infrastructure plan.

However, not all P3 projects see such positive results. Earlier this month, Indiana Finance Authority officials said they want to take over a delayed and reportedly financially troubled highway project

that is currently being constructed under a P3 structure. Completion of the Interstate 69 Section 5 project, which has been pushed back four times, is now set for August 2018.

Construction Dive

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