Public Private Partnership
Current Challenges

LAFAYETTE PARISH CORRECTIONAL CENTER CHALLENGES

• LPCC is 35 years old.
  • Current capacity is not sufficient for current demand.
    • The pandemic taught us we needed options to quarantine newly arrested individuals.
      • LPCC is in need of $20 million for major infrastructure upgrades.
    • Current design is operationally inefficient.
  • Current location is not conducive for growth in downtown Lafayette.

• Facility is over capacity.
• Same pandemic issue as jail.
  o No quarantine space for new arrests or sick juveniles
  o Puts staff and other juveniles at risk
• Juveniles are receiving ankle monitors and sent home.
• Outdated facility is designed to house misdemeanor and non-violent offenders.
• Reduce costs by reducing operational inefficiencies in facility.

JUVENILE DETENTION HOME CHALLENGES
• Public entities are great at building new facilities, but struggle with maintaining those facilities.

• The traditional construction process puts all of the risk on the public entity.

• The Parish gets the cheapest first cost facility and not the facility that has the lowest cost of occupancy.

• New facilities are funded by new taxes on the public.

• The new taxes are one-time funds to pay for construction, but they do not fund repairs or equipment replacement over the life of the facility.
How do we build a new LPCC and JDH without passing a new tax?
Alternative procurement model for the delivery of public infrastructure where:

- The public entity retains ownership of the facility throughout the duration of the project term.
- The private sector designs, constructs, finances, and maintains the asset for a period of 25-40 years.
- The public entity gets beneficial use of the facility via an availability payment.
- Guaranteed, fixed payments that are subject to deductions for availability and performance.
- A hand-back provision is present to protect the public entity via a transfer at the end of the term that will establish a remaining useful life of the facility and equipment.

What is a Public Private Partnership (P3)?
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All of these risks are the Parish’s based on a traditional procurement model.

• Risk transfer from public entity to private sector.
  o Design risk.
  o Construction risk.
  o Operational risk.
  o Repair/replacement risk.
  o Availability risk.
• Total cost of occupancy approach versus a first cost approach.

Value for Money

Traditional Procurement  P3

- Financing Costs
- Retained Risk Cost
- Base Project Costs
## Advantages of a P3

<table>
<thead>
<tr>
<th>ENHANCED AVAILABILITY</th>
<th>ECONOMIC GROWTH</th>
<th>CAPITAL INFUSION</th>
<th>INCREASED RESIDUAL VALUE OF BUILDING</th>
<th>FASTER PROJECT COMPLETION</th>
<th>TRANSFER OF RISK</th>
<th>DECREASE OF TOTAL FIXED COST OF OCCUPANCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Service quality standards enforced by contract or payments are reduced</td>
<td>– Creation of job and career opportunities</td>
<td>– Monetize the operation efficiencies to eliminate deferred maintenance upfront</td>
<td>– Guaranteed and defined hand-back provision</td>
<td>– Speed to market accelerates revenue</td>
<td>– Accountability falls on a single entity</td>
<td>– Provides annual budget certainty</td>
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<td></td>
<td>– Allows owners to focus on their goals</td>
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<td>– Predictable</td>
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</table>
Instead of sinking millions into fixing the existing facilities repeatedly throughout the years, it is time to build a new facility.

- New Lafayette Parish Correctional Center.
- New Juvenile Detention Home.
- Juvenile Court Complex.
- Operational efficiencies in kitchen, laundry, and oversight of offenders.
- The kitchen and laundry can possibly serve both facilities.
- Improved programs for offenders.
- Improved safety for our employees in the facility and law enforcement professionals.
Overall Aerial View

LPCC

JDH
Features of a P3 Facility

**TORONTO SOUTH DETENTION CENTER**
- This facility was part of a strategy to address health and safety issues and inefficiencies of design, technology and space by replacing older facilities.
- Ground source heat pumps, which have reduced the building’s natural gas consumption by at least 40 per cent.

**HOWARD COUNTY COURTHOUSE**
- Benefits include ability to share risks, utilize innovative solutions and technology, and secure life-cycle investments and quality maintenance.
- Will be durable with high-quality systems to ensure its useful life extends well beyond the 30-year contract.

**DURHAM REGION COURTHOUSE**
- Houses the Durham County Sheriff’s Office, Clerk of Courts, District and Superior Courts, Public Defender’s Office, District Attorney’s Office, and Trial Court Administration.
- Energy efficient features include 100’s of south-facing windows for natural light in courtrooms, a bicycle parking area, and a vegetated roof to absorb runoff.

**DADE COUNTY COURTHOUSE**
- This P3 will provide for the design, construction, financing, operations, and maintenance of the courthouse under a single contractual agreement.
- New facility will utilize at least 20% local Small Business Enterprises in the design of the Courthouse, with similar plans for construction and operations.
Project Timeline

**Procurement (RFQ)**
- Develop Request for Qualifications
- LCG Evaluation and Selection of Partner

**Project Development Agreement (PDA)**
- Development of Technical and Financial Solution
- Final Proposal
- Negotiation of Terms and Conditions in Project Agreement

**Financial Close**
- Negotiating Final Project Agreement
- Price and rate Set
- Design completion

**Construction**
- Permitting
- Construction
- Transition to Operations

**Asset Management**
- Operations
- Maintenance
- Lifecycle renewal

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<tr>
<th></th>
<th>2 months</th>
<th>6 months</th>
<th>2 – 3 months</th>
<th>12 – 36 months</th>
<th>25 - 40 years</th>
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<td>Task</td>
<td>Status</td>
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<td>Attorney General Opinion</td>
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<tr>
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<td>Execute Contract</td>
<td>5/30/23</td>
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## Milestone Schedule

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<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
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<tr>
<td>1</td>
<td>LCG P3 Project</td>
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<td>Tue 7/19/22</td>
<td>Tue 5/30/23</td>
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<td>2</td>
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<td>Thu 8/18/22</td>
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<td>RFQ Process</td>
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<td>Release RFQ</td>
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<td>Staff Review</td>
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<td>9</td>
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<td>14</td>
<td>Execute Contract</td>
<td>1 day</td>
<td>Tue 5/30/23</td>
<td>Tue 5/30/23</td>
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• Lafayette will be on the leading edge of Public Private Partnerships.

• An alternative way to get a new jail, and possibly a new juvenile Detention Home.

• Transfer the risk from the Parish to the private sector.

• Accountability through:
  o Availability Payments.
  o Key Performance Indicators.
  o Energy Consumption Guarantee.