

STATE & LOCAL GOVERNMENT PIPELINE

Your source for state and local government news and contracting opportunities

Volume 1, Issue 35

Public/private partnerships - what makes them good?



Mary Scott Nabers President/CEO Strategic Partnerships, Inc.

partnering purposes?

Partnerships between public entities and private sector firms are not going away anytime soon. Both organizations are totally dependent on the other.

Good public/private sector partnerships are beneficial to taxpayers, citizen constituencies, employees and the public at large.

So, why aren't there more outstanding ones? What's the secret behind good ones? And, how do public entities attract the best candidates for

December 16, 2009

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Strategic Partnerships, Inc. provides

states. Click here for more information.

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(MORE)

DHS offers funding to government entities nationwide

\$253 million in infrastructure grants being made available

Strengthening the country's transportation infrastructure is the goal behind \$253 million in grant funding available through the U.S. Department of Homeland Security (DHS). The funds are part of the agency's Transit Security Grant Program (TSGP) and are available to state, local and territorial governments and some private sector entities. The money also will be invested in projects that protect the traveling public from acts of terrorism or other major disasters.

Transit systems that qualify for funding include intercity buses, commuter buses, ferries and all forms of passenger rail. Money will be awarded to help

reduce risk through training, operational deterrence, drills and public awareness activities, key critical infrastructure and asset protection and other mitigation projects. There are two tiers for which entities can qualify. Tier 1 includes transit agencies in the eight highest-risk urban areas while Tier II will consist of all other eligible transit agencies.

Applications for the TSGP programs are due Feb. 18, 2010. The TSGP funding is part of more than 50 grants and financial assistance programs that total some \$4 billion that is awarded annually. To view the list of TSGP allocations for FY 2010, click <u>HERE</u> and look under "Recent Reports."

> For information about these and other funding opportunities, contact Reagan Weil or Richard Hartmann at 512-531-3900.

State & Local Government Pipeline will not publish Dec. 23

Will return to post-holiday schedule on Dec. 30

In observance of the upcoming Christmas holiday, the State & Local Governmet Pipeline newsletter will not publish on Wednesday, Dec. 23. We will resume our regular Wednesday publication dates on Wednesday, Dec. 30. Have a safe and happy holiday!

Where did the stimulus go?

Less than \$70 billion of \$280 billion paid out to states, local governments

It's Dec. 16. Do you know where your stimulus funding is? According to the U.S. Government Accountability Office (GAO), as of the end of November, only \$69.1 billion of the \$280 billion in Recovery Act funds headed to programs administered by state and local governments had been paid out. That means billions of dollars are still in the pipeline - and that translates into a multitude of contracting opportunities with the public sector.

Health expenditures accounted for the lion's share of the funding released, at 55.3 percent. Much of that funding was dedicated to helping states support their growing Medicaid programs. Education and training was a distant second at 29 percent. Transportation ranked third with 8.6 percent, followed by 3.5 percent going to income security, 2.4 percent to community development and 1.2 percent to energy and the environment.

One of the results of the federal funding - and one of the most visible - has been a myriad of transportation projects throughout the country. Most of the \$35 billion set aside for highway infrastructure and public transportation projects has already been obligated. By mid-November, more than \$20 billion of that funding was supporting a little over 8,800 projects. And almost half of those projects have included resurfacing, rehabilitating and reconstructing highways. Of that, \$4.5 billion was for road resurfacing projects and \$5.2 billion was for rehab and reconstruction.

Among the states, Florida has used 36 percent of its funds for pavement-widening and 23 percent for construction of new roads and bridges. Resurfacing projects have dominated the use of funds in Illinois, where 63 percent of Recovery Act funds have been put into resurfacing. In some cases, as in Iowa, focusing on paving projects with the stimulus funds has allowed local officials to speed up some of those projects. Thus state and federal funding will be freed up for larger projects in the future. Pennsylvania, on the other hand, has spent more than 30 percent of its funding on bridge improvement and replacement, some 20 percent above the national average. Transit funds totaling \$8.4 billion have been spread across the country. Of that figure, \$2.8 billion has been dedicated to transit infrastructure projects, while \$2 billion has been used for bus purchases or expanding an agency's fleet. Still another \$515 million was slated to be used for preventive maintenance.

Another program that is getting a lot of publicity is the funding for the Weatherization Assistance Program, with \$4.76 billion sent to the states. The result is a variety of energy-related contracting opportunities from audits to installation of energy-efficient windows and roofs.

Although much of the education funding in the Recovery Act has restrictions placed on it, local education officials are being creative in their uses. For instance, using some of the funding dedicated to enhancing educational opportunities for special education students and students with disabilities might result in technology purchases that would also benefit mainstream students.

Stimulus news briefs

County using 'Recovery Zone' bonds for new building

The Boone County, Missouri, Sheriff's Department is one of the latest entities to use "Recovery Zone" facility bonds created by the American Recovery and Reinvestment Act. The county plans to build a warehouse and annex for the Sheriff's Department complex.

By using these bonds, the county will be eligible for a 45 percent federal rebate on the interest paid on the bonds. Although lamenting the federal hoops that must be jumped through and the paperwork that accompanies each jump, Boone County officials said the savings on the interest will be worth it.

The warehouse and annex will include administrative space, a conference room and training area for the Sheriff's Department, as well as providing storage space for the county's voting equipment.

Requests for rail money far outweigh available funds

There's only about \$8 billon in stimulus funds available for rail projects, but already the competition is stiff. Close to 40 states are already in the competition - and their requests total more than seven times the amount of funding available.

California is looking for \$4.7 billion to fund a bullet train from Sacramento to San Diego. Florida, whose legislature just approved investing in commuter rail, is seeking \$2.5 billion for a high-speed rail from Tampa to Orlando. All are hoping, too, that funding will also be available in coming years through the federal budget. President Barack Obama pledged \$1 billion per year on a high-speed rail grant program, which both the House and Senate trumped in their budget proposals with \$4 billion and \$1.2 billion respectively. And one sure-fire way to know it's a hot topic - the number of high-speed rail lobbyists has tripled over the past year.

Lower costs giving governments more for their highway dollars

Dramatic decreases in costs are allowing many recipients of Recovery Act transportation dollars to not only fund high-priority projects, but also to fund additional projects that fell off the table when funding ran out. Contracting opportunities are still available!

The U.S. Department of Labor reports that highway construction project costs have decreased by 14 percent nationally since last year. Dirt prices have fallen. Asphalt prices, too, have dropped because of declining petroleum prices. That petroleum is used in asphalt and in fuel for the heavy equipment used for highway construction.

And with the economy down, more bidders with lower prices are putting their names in the hat to try to win contracts with little profit just to keep business going. Throw into that mix a healthy dose of stimulus funds, and state and local governments have additional funds for road projects. It's a good predicament to be in.



What the states are doing

Transportation workers in Tulsa, Oklahoma, will undertake a \$2.6 million street project on West 23rd Street that includes replacing damaged concrete panels, repairing sidewalks, upgrading traffic signals and installing a new water line.

Howard County, **Maryland**, will offer free home energy audits to its residents from a \$2.6 million stimulus grant. The county also received additional funding it will use for electrical sub-meters to check energy use at countyowned buildings, to purchase an electric pickup truck, purchase a diesel hybrid truck and purchase a heater that uses landfill gas as heating oil.

Five **New Mexico** Pueblo tribal communities and San Juan County will share \$900,000 in stimulus funds for energy efficiency projects and transportation infrastructure. The energy projects will include energy audits, building retrofits and financial incentives for energy efficiency improvements. The Ohkay Owingeh Pueblo also will receive \$156,000 to purchase a van and a bus. The Navajo Nation will use \$2 million to construct a bus maintenance facility and administration office complex in Fort Defiance.

The San Mateo, **California**, Medical Center has been awarded \$1.7 million to expand primary care services to low-income patients. Half of the funding will be used to renovate the current 9,418-square-foot clinic in Half Moon Bay including building four dental suites, a dental lab and a new children's waiting area.

The Puyallup tribe of Washington has received \$13.1 million and the Nisqually Indian tribe, also in Washington, has received \$12.3 million in stimulus funds, the money set aside for dozens of projects ranging from housing and energy conservation to education, roads and law enforcement. Both tribes each also garnered multi-million-dollar grants to build new jails.

State roads and bridges in **Oklahoma** will benefit from the \$465 million the state has received in stimulus funds. More than 300 miles of highways and nearly 90 bridges are set for repairs. The highway repair includes approximately 100 miles of the state's interstate highway system.

Officials with Amtrak's Downeaster in Portland, **Maine**, are hopeful to pick up a \$39 million stimulus award for expansion of their Boston-to-Portland passenger rail service farther north to Freeport and Brunswick.

A 143,000-square-foot building that will free up more classroom space at Metropolitan State College in **Colorado** will be built as a result of government-subsidized stimulus bonds. The building will be financed by low-interest Recovery Zone Economic Development Bonds. The federal government will pay 45 percent of the interest on the \$52 million building, reducing the interest rate to 3.35 percent.

Four crime labs in **Maryland** will share \$1.2 million in stimulus funds, including the Baltimore City, Maryland, police and Montgomery and Prince George counties that will use the funding for their DNA crime labs. The State Police and Baltimore Police Department also will receive funding.

St. John's County, Florida, will benefit from more than \$3.9 million in Recovery Act funds for transportation projects that include sidewalk improvements, intersection improvements, highway resurfacing, bridge rail replacement and curb replacement. The county also was awarded more than \$1 million previously to build a new public transit facility for the Sunshine Bus Company.

California is expecting millions of dollars in stimulus funds for three solar plants east of Joshua Tree National Park. The projects include a solar thermal plant to be located west of Blythe near I-10, and two solar thermal plants planned for near Blythe and Desert Center.

Work is expected to begin soon on a pedestrian path for the Goldwater Boulevard underpass in downtown Scottsdale, Arizona, from part of the \$14.1 million in stimulus funds the city has received. Other projects in the future will be related to transportation, energy efficiency and neighborhood improvement.

North **Florida** plans a number of transportation-related projects with its \$240 million in allocated stimulus funds. The projects include sidewalk improvements, intersection improvements, widening of paved shoulders and street reconstruction.

Eight community health care centers (CHS) in **Massachusetts** have been awarded stimulus funds totaling \$80 million. The grants will be used for construction projects and for technology update projects. A new facility costing \$11.5 million is set for the Mattapan CHC. Other recipients are Community Health Connections in Fitchburg - \$10.7 million, Dorchester House Multi-Service Center - \$7 million, East Boston Neighborhood Health Center - \$12 million, Greater New Bedford Community Health Center - \$5.3 million, Healthfirst Family Care Center in Fall River - \$12 million; Lowell Community Health Center - \$9.3 million and Whittier Street Health Center in Roxbury - \$12 million.

Low-income homeowners in San Antonio, **Texas**, will benefit from stimulus funds as the city and CPS Energy pair up on a weatherization program that will benefit 1,400 homes. Some of the weatherization projects include adding insulation to a home, resealing windows and doors and more.

The Petaluma, **California**, Health Center has been awarded \$8.9 million in stimulus funds to renovate its facility. A new 50,000-square-foot building is planned.

In Burlington, Vermont, a new building will be added to the Community Health Center of Burlington that will allow the center to serve more patients. A \$10.9 million grant from the Recovery Act will fund the project.

Water and energy-saving upgrades are on tap for Baltimore, **Maryland**, libraries, fire stations, the city hall and other municipal buildings from \$2.5 million in stimulus funds. The funds will be used to replace toilets and urinals, retrofit sinks and showerheads with flow restrictors and install energy-efficient hot water heaters, dishwashers and washing machines. A rainwater collection system will be installed for use when washing fire vehicles.

The Blue Ridge Medical Center in Nelson County, Virginia, will undergo a \$5 million transformation with federally awarded stimulus funds. Part of the project includes adding dental services, doubling the number of exam rooms and adding more space for the pharmacy.

The city of Stuart, **Florida**, has been awarded a \$750,000 stimulus bill grant that will be used for improvements to its Woodlawn Park. The funds will be used to offset the \$1 million projected cost of installing new city sewer lines, improving sidewalks to comply with Americans with Disabilities Act requirements and installing decorative street lights in commercial areas.

X-ray imaging, installation of a new elevator and upgrades to the heating and cooling system to solar and gas energy will be paid for at the People's Center Medical Clinic in Minneapolis, Minnesota with \$2.1 million in stimulus funds.

The city of Tulsa, **Oklahoma**, will receive stimulus funding that includes \$750,000 for natural gas vehicles for Tulsa Transit, \$200,000 to update the police department's records management system and \$100,000 for equipment for the Tulsa Fire Department.

New Jersey to up borrowing for highway, transit projects

The State of New Jersey will borrow four times what it originally planned to help finance highway and transit projects. The state's Transportation Trust Fund Authority approved \$1 billion in fixed-rate bonds, including the taxable Build America Bonds and tax-exempt capital appreciation bonds. Officials expect to issue another \$2.7 billion for highways and school construction before the end of next June.

One segment of tunnel getting under way

One of the three segments of the proposed Mass Transit Tunnel linking New Jersey rail commuters with Manhattan is under way, but bids for the other two segments are expected to be sent within the next few weeks.

The current segment goes under the west side of Manhattan and will begin early next year. The overall project, the largest transit public works project in the country, is expected, when it is completed in 2017, to double commuter rail capacity between New Jersey and New York.



Calendar of events

Free Webinar slated for state, local governments

A free Web seminar on how state and local governments can use funding from the 2009 Recovery Act to establish performance contracts for energy efficiency will be today, Wednesday, from 3 to 4:15 p.m. (EST). The Webinar is sponsored by the Technical Assistance Project of the U.S. Department of Energy and titled "Introduction to Performance Contracting." Speakers will include Dustin Knutson, performance contracting training with the DOE Federal Energy Management Program and Jim Arwood, director of the Arizona Energy Office. The Web seminar is free of charge, but you must register in advance to obtain a URL for the presentation and call-in phone number. To register, click <u>HERE</u>.

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All 50 states have own recovery Web sites

All 50 of the states and the District of Columbia now have their own "recovery" sites where citizens can track where ARRA dollars are being spent in their respective states. The states are charged with ensuring accountability and transparency in how the funds are spent and their Web sites show the projects being funded and the amount of ARRA funds allocated. For links to each of the state and District of Columbia recovery Web sites, <u>HERE</u>.

Procurement consulting, national research and advocacy services

Strategic Partnerships, Inc. (SPI), a leader in state and local government procurement, national research and government relations, offers client-customized services to help companies find and capture government contracts. Click here for details.

For more information contact:

Strategic Partnerships, Inc. Mary Scott Nabers, President Ph: 512.531.3900 mnabers@spartnerships.com www.spartnerships.com

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Publisher: Mary Scott Nabers

Barton Oaks Plaza One, Suite #100 901 S. Mopac Expressway Austin, Texas 78746 Ph: 512.531.3900 www.spartnerships.com

For information about SPI's products and services: sales@spartnerships.com

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