The use of public–private partnerships (P3s) marks a shift away from traditional modes of procuring and financing highway projects. Under the P3 model, a private partner may participate in some combination of design, construction, financing, operations, and maintenance, including collection of toll revenues.

The Federal Highway Administration’s (FHWA) Office of Innovative Program Delivery (IPD) produced a P3 Toolkit comprising tools and guidance documents to assist in educating public sector policymakers, legislative and executive staff, and transportation professionals. The P3 Toolkit forms the base of a broader P3 capacity-building program, which includes a curriculum of P3 courses and Webinars. The P3 Toolkit addresses Federal requirements related to P3s and four key phases in P3 implementation:

1. Legislation and Policy;
2. Planning and Evaluation;
3. Procurement; and
4. Monitoring and Oversight.

P3 Evaluation Tools

The P3 Evaluation Tools are a key component of the P3 Toolkit. They serve as references for decisionmakers and practitioners seeking to understand P3s as a financing alternative for major capital projects.

Practitioners can use P3-VALUE to better understand the concepts, inputs, key assumptions, and outputs from evaluations of risk, financial feasibility, and “value for money” analyses.

For Further Information

Learn more about FHWA’s P3 Toolkit, available at:


The P3-VALUE 2.0 Analytical Tool

Practitioners can use P3-VALUE 2.0 to better understand the concepts, inputs, key assumptions, and outputs from evaluations of risk, financial feasibility, “value for money,” and project delivery benefit–cost analyses.
P3-VALUE 2.0 includes a training module designed to educate the user, as well as a module that may be used by practitioners for high-level screening evaluation of actual projects. The complexity of the detailed-level analyses required for later stages of project development for specific projects requires that the analyses be done by experts using more detailed modeling. The four components of the training module are outlined as follows:

1. **Risk Assessment (RA):** This component assists the user in understanding the process used in identifying, defining, valuing, and allocating risks. Aggregate risk value output data from this component are used as inputs into the Value for Money (VfM) analysis described next.

2. **Value for Money (VfM) Analysis:** This component assists the user in understanding the process used in undertaking a VfM analysis.

3. **Project Delivery Benefit–Cost Analysis (PDBCA):** This component assists the user in understanding the process used in estimating the societal net benefits that may be achieved by delivering a project as a P3, including the benefits of accelerating the project.

4. **Financial Analysis (FA):** This component assists the user in understanding the process used in evaluating financial viability, including identification of required financial subsidies, under both conventional and P3 procurement.

**PROGRAM AREAS OF THE OFFICE OF INNOVATIVE PROGRAM DELIVERY**

IPD provides a one-stop source for expertise, guidance, research, decision tools, and publications on program delivery innovations. Our Web page, workshops, and other resources help build the capacity of transportation professionals to deliver innovation.

**PROJECT DELIVERY**

IPD’s project delivery team covers cost estimate reviews, financial planning, and project management and assists FHWA Divisions with statutory requirements for major projects (e.g., cost estimate reviews, financial plans, and project management plans).

**PROJECT FINANCE**

IPD’s project finance program focuses on alternative financing, including State Infrastructure Banks (SIBs), Grant Anticipation Revenue Vehicles (GARVEEs), and Build America Bonds (BABs).

**PUBLIC–PRIVATE PARTNERSHIPS**

IPD’s P3 program covers alternative procurement and payment models (e.g., toll and availability payments), which can reduce cost, improve project quality, and provide additional financing options.

**REVENUE**

IPD’s revenue program focuses on how governments can use innovation to generate revenue from transportation projects (e.g., value capture, developer mitigation fees, air rights, and road pricing).

**TIFIA**

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for significant projects. Many surface transportation projects—highway, transit, railroad, intermodal freight, and port access—are eligible to apply for assistance.