

Memorandum

To George Meservey, Director of Planning & Community Development
Michael Domenica, PE, Program Manager

CC Betsy Shreve, AICP, AECOM Project Director
Mark Abrahams, The Abrahams Group
Matt Abrahams, The Abrahams Group
Paula Winchell, AECOM

Subject **Town of Orleans, MA**
Water Quality and Wastewater Planning
Task Number 5.d – Financial Evaluation
Outline for Public Private Partnership Options

Project Number 60476644

From Thomas Parece, P.E., AECOM Project Manager

Date 05/04/15

1. Background

- a. Purpose of Public Private Partnership Options Technical Memorandum.

2. Introduction

- a. Define Public Private Partnerships (P3) and key participants and respective roles.
- b. Provide overview of use/function of P3 in water quality/wastewater planning.
- c. Describe value of P3 when evaluating program cost and affordability.
- d. Describe the planned role and impact of P3 in Orleans Water Quality and Wastewater Planning effort.
- e. Reference design/build and design/build/operate; indicate it is one procurement form of P3. Note need for legislation.

3. Advantages and Disadvantages of P3

- a. Explain the importance of identifying the advantages and disadvantages of P3, specifically looking at the risks to the Town as a key partner and participant.
- b. Describe the advantages of P3 (cost reduction, expedited schedule, implications for retaining ownership, etc.).
- c. Describe the disadvantages of P3 (risk of developer default, operations risk (i.e. risk of not meeting WQ or permit compliance requirements, etc.)).

4. Identification of Potential P3 Opportunities in Orleans

- a. Summarize the plan to sewer Downtown and the various components of sewerage program (collection system, treatment facility, disposal facility, and septage management).
- b. Discuss current offer by private developer to potentially offer wastewater treatment capacity and/or disposal capacity to Town (considering the potential wastewater need of the development and the maximum capacity on the private land). Provide update on status of discussions.
- c. Discuss any other potential P3 opportunities.
- d. Summarize need for risk assessment (proposed to be included in FY17 work activities) to fully identify risks to Town.

5. Consideration of P3 in Developing Financial Model

- a. Explain how P3 might affect total cost (percent savings).
- b. Explain financial model scenarios including P3 and implications for cost and affordability.

6. Conclusion

- a. Summarize Town's interest in further evaluating possibilities for P3.
- b. Identify next steps (additional meetings with developer (s), conduct risk assessment).