

June 8, 2024

The Honorable Joseph Solomon
Chair, House Corporations
Rhode Island House of Representative
Providence, RI 02903



Dear Chairman Solomon:

On behalf of the member companies of The Rhode Island Chapter of Associated General Contractors (RIAGC), I write to regarding House Bill 8344 which would enable a state public-private partnership (PPP) infrastructure program.

PPP transactions can help states address infrastructure needs, enhance the capacity of public works ventures, and encourage innovation to make projects more efficient and reduce waste. Often, there are revenue-sharing and revenue-stream opportunities that also make PPPs attractive to all parties.

While RIAGC supports enabling legislation for Rhode Island to advance the consideration and potential use of PPPs, this will also change the nature of public works construction on such projects. With a transfer or change in “ownership” of a project, there is a need to ensure that risks are appropriately allocated for contractors. Pre-construction activities may take a different shape, team roles and responsibilities need to be clearly articulated, and the role of sureties and insurers needs to be considered. Additionally, when contractors are engaged early in the process, there are opportunities to identify cost-savings, atypical risks such as long-term maintenance requirements, and potential hurdles in zoning and safety requirements.

The legislation under consideration is extremely prescriptive in the makeup of the commission and may prevent adequate expertise and input at the outset of important projects that stand to benefit taxpayers and make significant benefits to our state’s infrastructure. Additionally, the bill has just been posted within two days of being introduced for consideration. With the opportunity to capitalize on new sources of income and revenue, coupled with the expertise of our state’s exceptionally experienced construction companies, the legislation may merit further review for inclusions or changes to make it as advantageous as possible for the state.

Thank you in advance for your consideration.

Sincerely,

Kerrie Bennett
Executive Director