

Advancing Public Service in Partnership

Agency leaders can better perform their mission by building innovative, mutually beneficial solutions in partnership with commercial and nonprofit stakeholders. Public-Private Partnerships (PPPs) enable government to be smarter and faster in responding to change, provide better service to Americans, and grow the economy.

A Case for Action

The government is confronting a crisis in its ability to deliver its mission due to several converging issues that call for quick action:

- **Growing expectations:** Agencies are challenged to meet Americans' increasing expectations for responsive service, value, and the enhancement of existing services and systems.
- **Shrinking resources:** Agencies face an aging workforce and other obstacles to efficiency and program integrity, while discretionary funding has shrunk since fiscal year 2010.
- **Problems without boundaries:** Today's highly interconnected economic and political systems make it difficult for any government agency acting alone to make comprehensive, positive change.

Addressing these critical national issues and better serving the nation requires PPPs that apply entrepreneurial approaches, efficient capabilities, and innovations from industry, academia, and the nonprofit world.

PPPs make sense when an agency lacks funds or risk tolerance across the (long) lifecycle, when the problem is bigger than what a single entity can see or control, and when the solution is best addressed through collaboration among stakeholders.

Benefits of PPPs include improved performance, effectiveness, speed, and robustness, with reduced cost and risk to the government.

**Public-Private Partnerships
enable the government
to harness private sector
capabilities, efficiencies,
and innovations
for public good.**

Understanding the Concept

PPPs have increasingly been used as a mechanism to deliver public good. Most PPPs are for public works—such as the partnership to operate the Chicago Skyway toll bridge—in which a long-term, performance-based government contract to provide a public good places the management and major share of risk on the private entity.

This concept can be applied to a much broader set of issues as well. A newer class of information-centric partnership serves as a focal point for public and private entities to exchange insights and data to address national issues such as:

- **Government Integrity and Efficiency:** Improved program and payment integrity; reduced financial fraud, waste, and abuse; and more efficient shared services via broad collaboration and partnership.
- **Health:** Improved care at lower cost, and better population health and patient safety via coordination with industry stakeholders.

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- **Homeland Security:** Enhanced cybersecurity via information sharing and analysis centers and organizations, and improved resiliency.
- **Transportation:** Improved aviation and ground transportation safety via information sharing.

PPPs can also foster innovation via Cooperative Research and Development Agreements (CRADAs). See other examples by accessing the Partnership for Public Service and ACT-IAC.

The legal and policy support for PPPs is broad and well-established. Agencies can draw on existing authorities to collaborate and form partnerships under the Economy Act, Bayh–Dole Act, Federal Technology Transfer Act, and OMB guidance, as well as DARPA, NASA, HHS, and other agency policies and precedents.

Agencies can fund PPPs not only by contracts and grants but also by cooperative agreements (such as CRADAs) and Other Transaction Authority agreements. Additional best practices include setting up PPPs with:

- **Shared purpose** among partners who expect clear mutual and public benefit under a charter that aligns interests and expectations.
- **Trust** among the partners built through delivering as expected and communicating proactively.
- **Accountability** via data-driven decision making and performance-linked incentives.
- **Partner buy-in** based on the value and benefit to stakeholders exceeding cost and risk, as well as the empowerment of partners.
- **Value delivery** via responsive operation, where the partners employ the most effective governance and business models, technologies, and protocols.

Areas of Opportunity

Americans can benefit when agencies use PPPs to advance service delivery and mission success by:

- **Extending the proven model of PPPs** in public works to other government-provided services and critical national problems—for example, eliminating child abuse and neglect.
- **Emphasizing the use of PPPs** when acquiring solutions.
- **Embracing trusted third parties**, free from conflicts of interest, to facilitate or operate PPPs when appropriate.
- **Engaging with stakeholders** to design and execute PPPs to modernize government service delivery.

Congress and the Executive Branch can foster public good via PPPs by:

- **Providing safe harbor-style protections** for PPP members so that industry can more confidently participate and share proprietary data with less concern about liability or about competitors gaining advantage as a result of their participation.
- **Removing barriers** to PPP effectiveness and burdens on partners. For example, they can streamline the collection of PPP data under the Paperwork Reduction Act, or not count healthcare anti-fraud PPP efforts against industry's bottom line under the Medical Loss Ratio.
- **Encouraging the appropriate use of PPPs** by agencies to deliver innovative, widely beneficial solutions in the public interest.

For further ideas about applying the guidance in this paper to your agency's particular needs, contact federaltransition@mitre.org.