



Director's Office

One Capitol Hill | Providence, RI 02908 | (401) 222-2280

June 3, 2026

The Honorable Louis P. DiPalma
Chair
Senate Committee on Finance
Rhode Island State House
Providence, RI 02903

Re: Senate Bill No. 2822 – An Act Relating to Public Property and Works – State Purchases

Dear Chair DiPalma,

Thank you for providing the Department of Administration (“Department”) the opportunity to submit comments in response to Senate Bill 2822, which defines public-private partnerships and legislates a process for the State to enter into agreements to establish public-private partnerships. The Department is pleased to have had an ongoing, productive dialogue over the past year with union stakeholders regarding this topic and our shared goal of promoting the development of projects associated with public-private partnerships.

Public-private partnership agreements give the State another innovative method of contracting for the development of new state-owned physical assets. The State’s current portfolio of owned assets is aging and increasingly expensive to rehabilitate or replace. At the same time, the demand for new developments to bolster the State’s infrastructure continues to challenge shrinking capital budgets. This proposal formalizes the State’s ability to deliver high-quality projects that meet demand at potentially lower costs, both for construction and ongoing operations and maintenance.

Public-private partnership agreements work when incentives between the respective partners are aligned. Critically, the private partner in any agreement must share in the long-term risk associated with the project. A byproduct of this risk-sharing is the mutual interest in controlling costs and maintaining quality. This benefits the State - and the public - as the payer and the user, as well as the owner, of the asset. The private partner must also respect the State’s plan to consider project labor agreements for any associated construction work, as well as acknowledge the Privatization of State Services Act as stated in R.I. Gen. Laws Chapter 42-148.

The long-term nature of the public-private partnership agreements requires responsible oversight throughout the process. The schema established by the legislation is careful to vet the appropriateness of this type of contracting method compared to others that could be considered. Among other important protections, any project contemplating a public-private partnership will require justification from a subject-matter expert to validate the economic and operational rationale. Further, detailed plans for financing, operations, and oversight practices will need to be



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included in any proposal. Making this method of contracting endemic to the State's existing procurement practices embeds more oversight while alleviating additional friction that could further delay projects, adding time and cost to delivery.

This legislation reflects a responsible and effective method to contract public-private partnerships in the best interest of the State's financial and infrastructure needs and formalizes a procurement mechanism that the state has used in times past.

The Department appreciates the opportunity to share our support for this legislation with the Committee. If there are any questions, please feel free to contact my office at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Th. A. Verdi". The signature is written in a cursive, slightly stylized font.

Thomas A. Verdi
Acting Director, Department of Administration

cc: The Honorable Members of the Senate Committee on Finance
The Honorable John P. Burke
Kristen Silvia, Deputy Chief of Staff and Director of Legislation
Jamie Plume, Committee Clerk