



Welcome!

The I-495 & I-270 P3 Program Industry Update Webinar will begin momentarily.





I-495 & I-270 P3 Program

Industry Update Webinar

January 29, 2020





Key Factors for Success

- The Program is essential to the network
- We are progressing the required regulatory and legislative approvals
- The Program is financially, technically and commercially feasible
- Procurement and Delivery Processes reflect market conditions





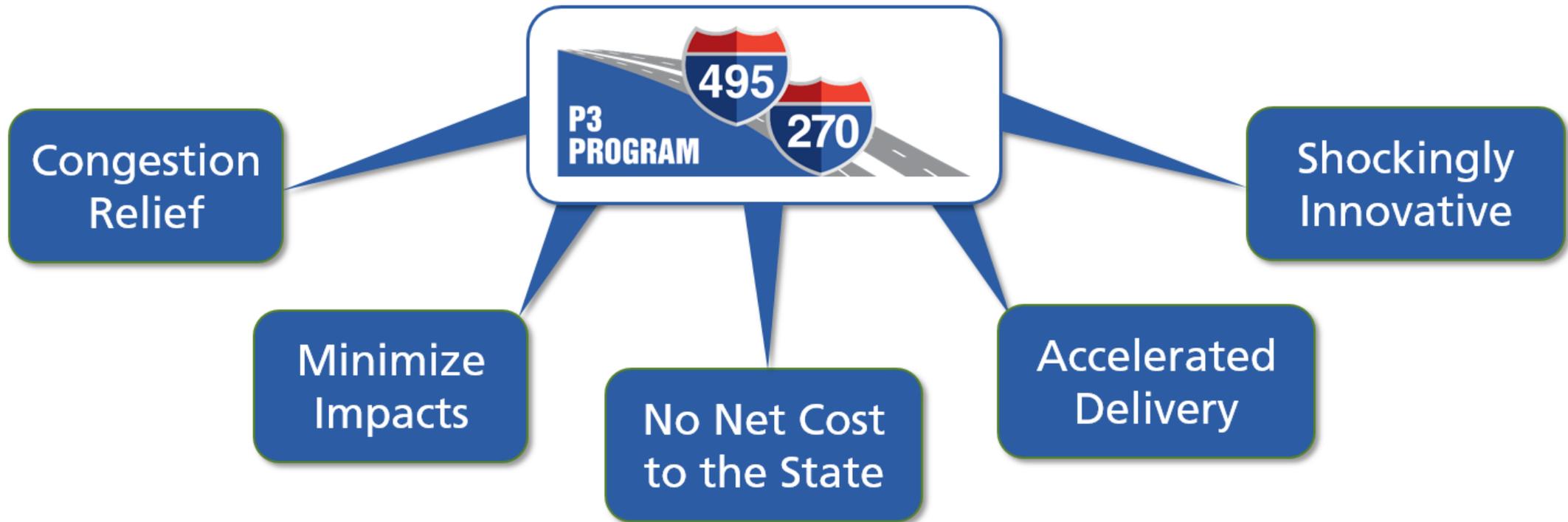
Program Solution: Traffic Relief Plan (TRP) Innovative Improvements

- Balanced approach to addressing congestion with both transit and highway improvements
- Governor Hogan's ambitious plan to bring innovative solutions to address challenges on Maryland's most congested roads
 - The I-495 & I-270 P3 Program is the largest component of the Traffic Relief Plan
- More than just addressing traffic, it's an opportunity to improve quality of life and enhance Maryland's economic vitality and growth





P3 Program Delivery Goals



I-495 & I-270 P3 Program Elements



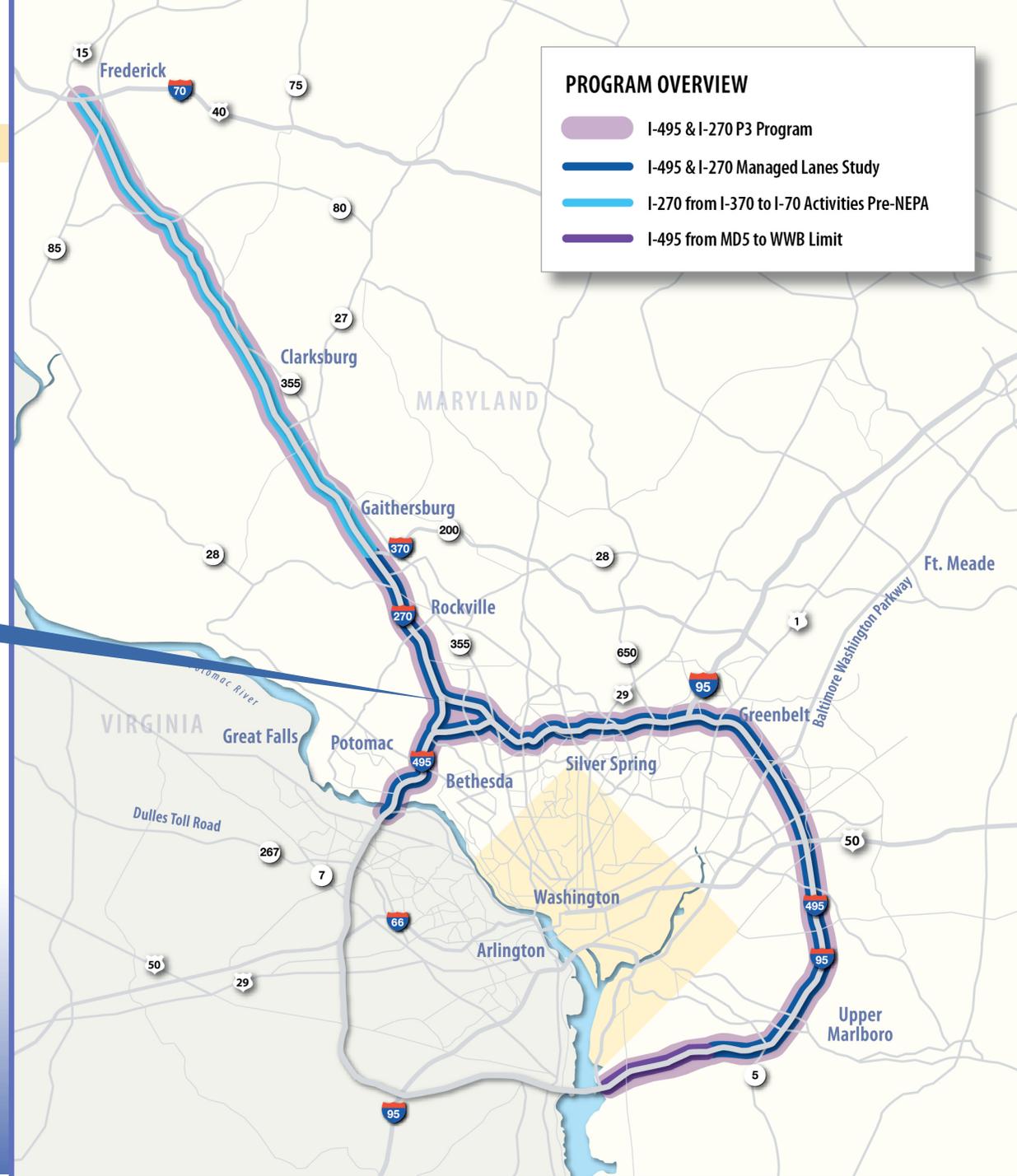


I-495 & I-270 P3 Program Elements

The I-495 & I-270 P3 Program includes over 70 miles of highway improvements

I-495 & I-270 Managed Lanes Study (4 miles)

- I-270 from I-370 to I-70 Pre-NEPA Activities (23 miles)
- I-495 from MD 5 to the Woodrow Wilson Bridge (future study)

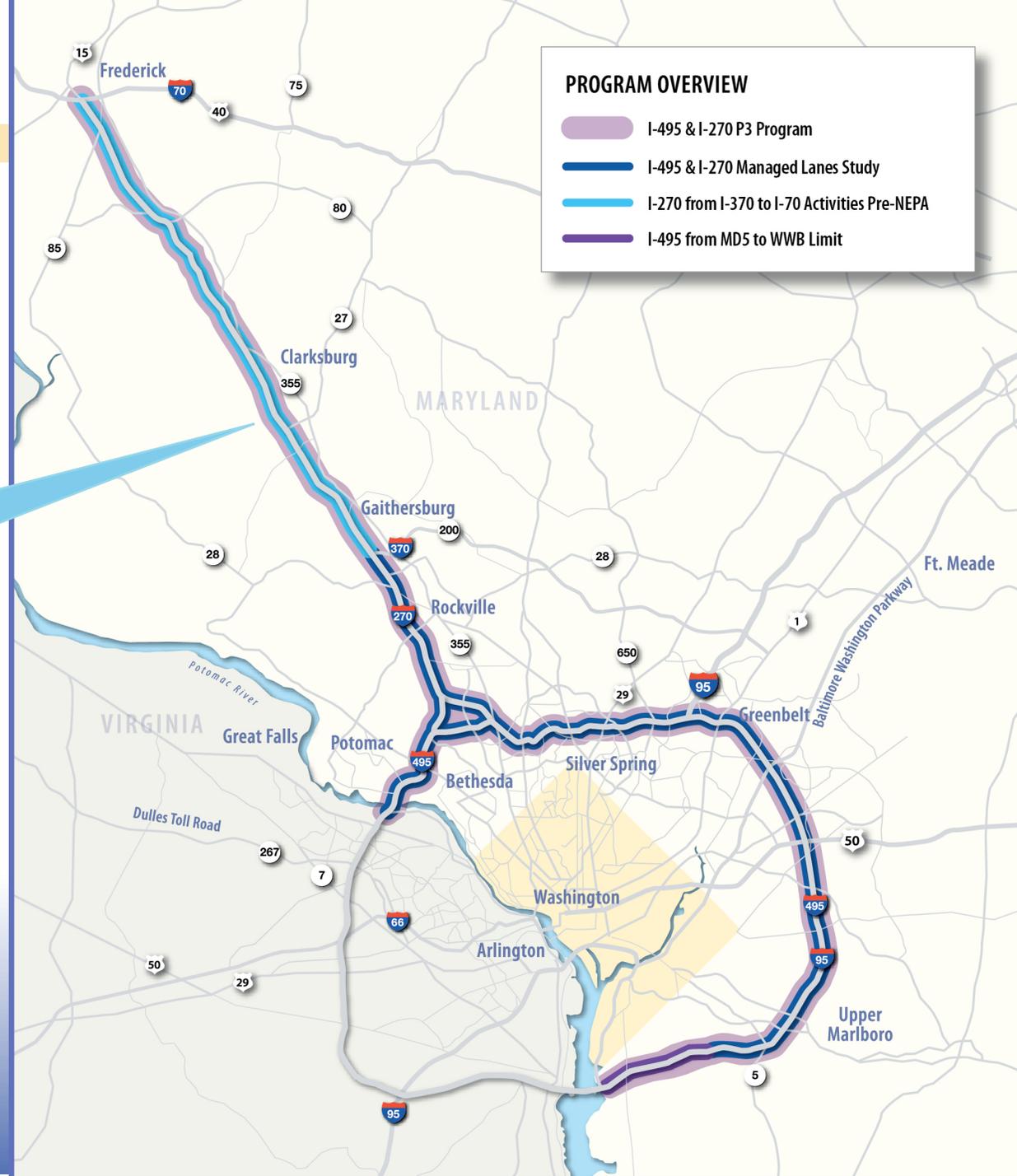




I-495 & I-270 P3 Program Elements

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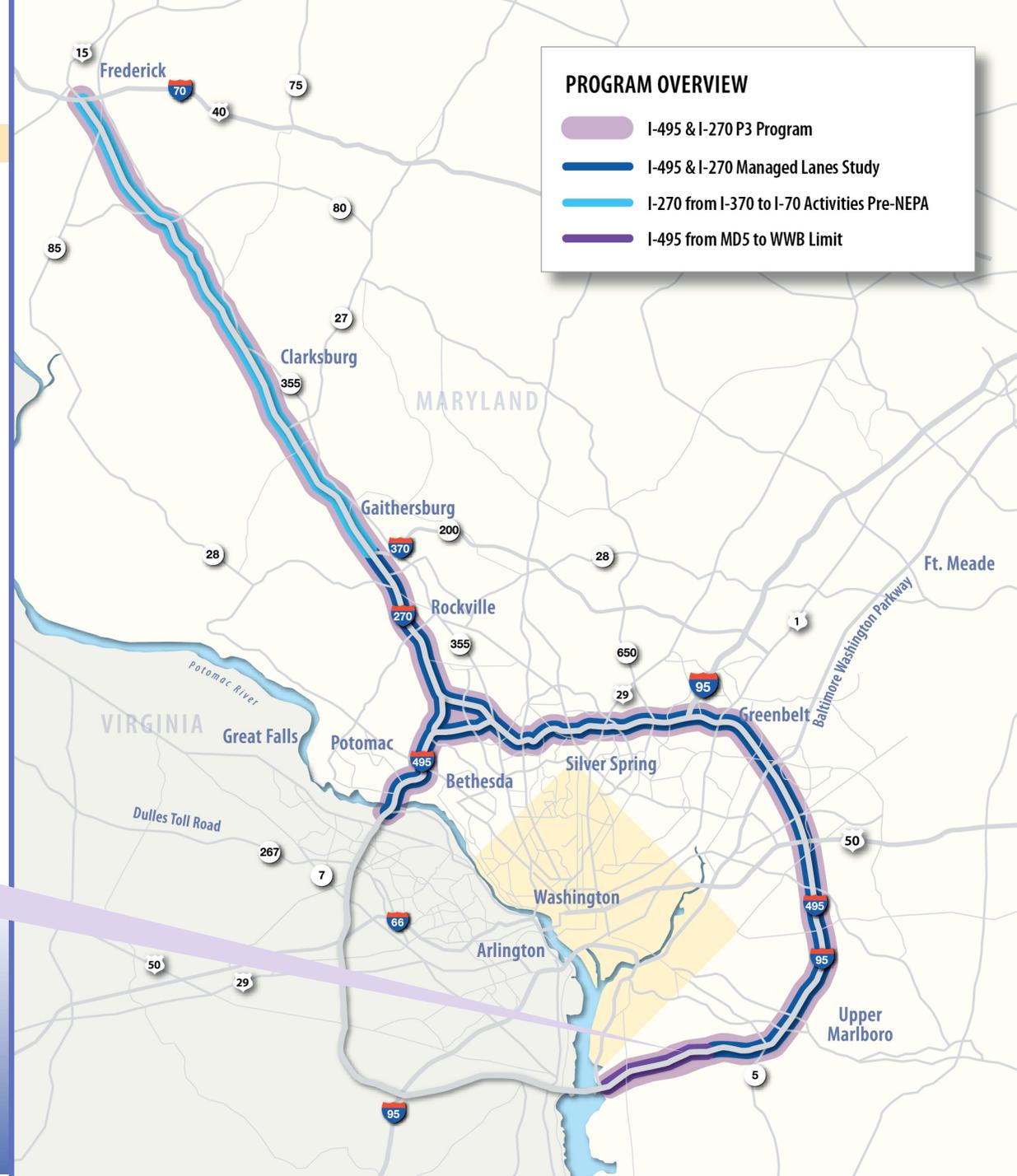




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VDOT I-495 Northern Extension (NEXT) Project

Graphic courtesy of VDOT

- Environmental Study underway independently by VDOT
- MDOT SHA coordinating closely with VDOT as the project advances

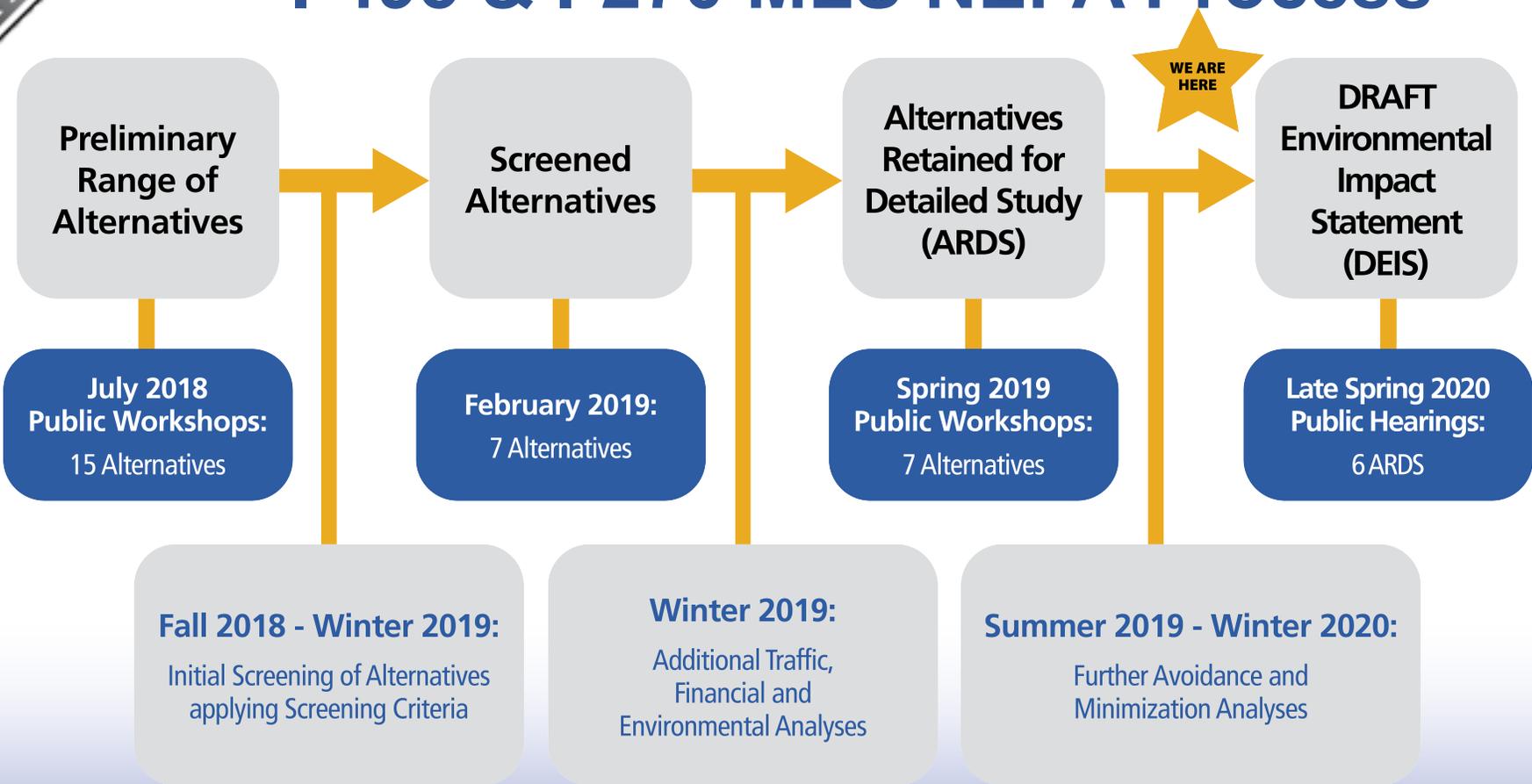


I-495 & I-270 Managed Lanes Study (MLS)





I-495 & I-270 MLS NEPA Process



AGENCY AND PUBLIC INPUT THROUGHOUT SCREENING PROCESS





I-495 & I-270 MLS: Alternatives Retained for Detailed Study (ARDS)

ALTERNATIVE	DESCRIPTION
Alternative 1	No Build
Alternative 8	2-Lane, ETL Managed Lanes Network on I-495 and 1-ETL and 1-Lane HOV Managed Lane on I-270
Alternative 9	2-Lane, HOT Managed Lanes Network on both I-495 & I-270
Alternative 10	2-Lane, ETL Managed Lanes Network on I-495 & I-270 plus 1-Lane HOV Managed Lane on I-270 only
Alternative 13B	2-Lane, HOT Managed Lanes Network on I-495; HOT Managed, Reversible Lane Network on I-270
Alternative 13C	2-Lane, ETL Managed Lanes Network on I-495, ETL Managed, Reversible Lane Network and 1-Lane HOV Managed Lane on I-270

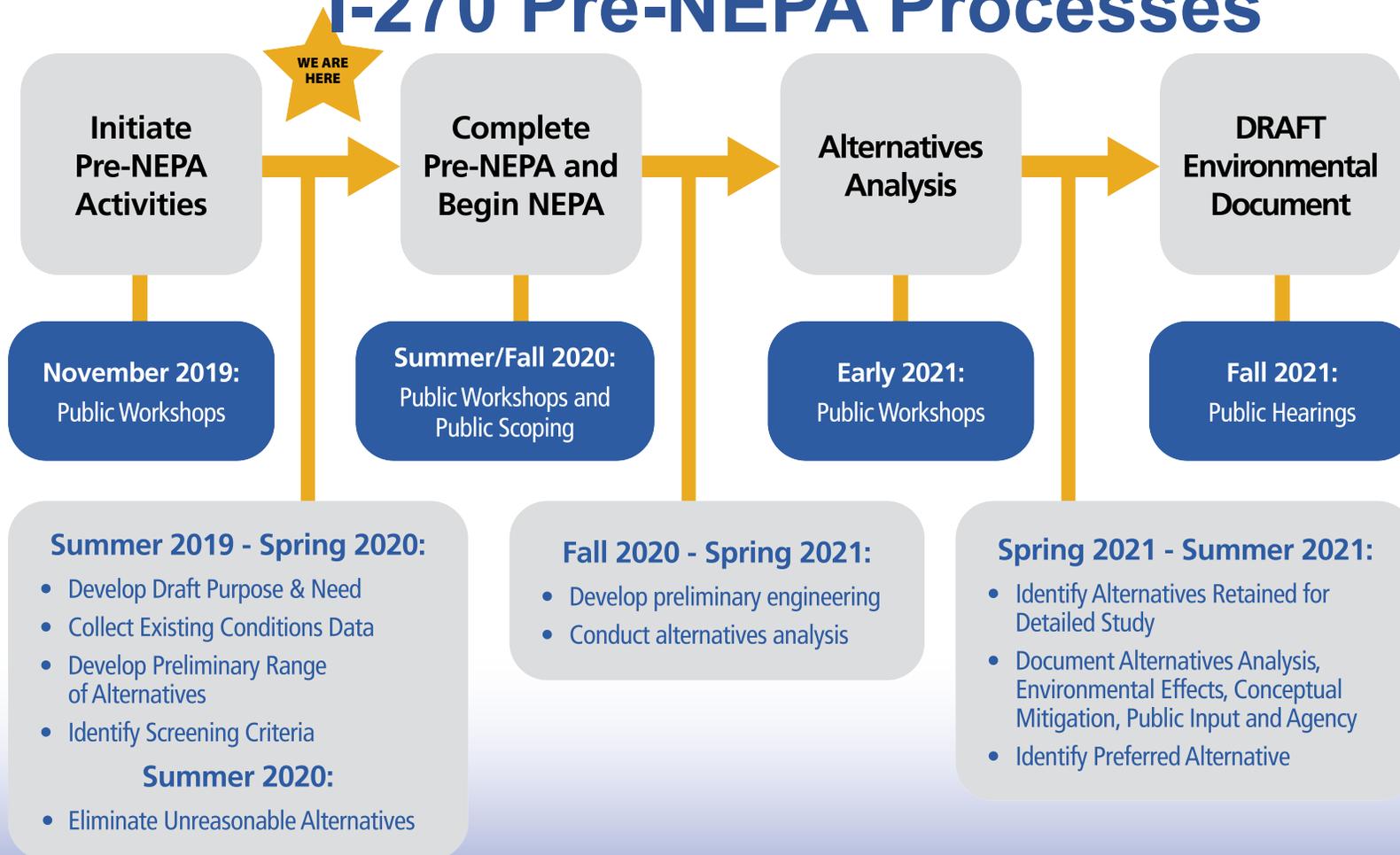


I-270 from I-370 to I-70 Pre-NEPA Activities





I-270 Pre-NEPA Processes



AGENCY AND PUBLIC INPUT THROUGHOUT PRE-NEPA AND NEPA PROCESSES



Solicitation Approach





MDOT SHA and MDTA Roles

- **MDOT SHA:** state entity responsible for the rights and obligations under the P3 Program related to solicitation and program management
- **MDTA:** state entity with the authority to set and fix tolls for State transportation facilities, responsible for rights and obligations under the P3 Program related to tolling or toll revenues
- Interagency Agreement between MDOT SHA and MDTA will be a reference document to the RFQ





Maryland Board of Public Works

- On June 5, 2019, approved:
 - Designation of I-495 & I-270 P3 Program as public-private partnership (P3)
 - Solicitation for developer for each program phase and multiple P3 agreements
- On January 8, 2020, amended the P3 Program designation and proposed competitive solicitation method to:
 - Provide regional transportation services as part of the P3 agreements; and
 - Deliver the entire P3 Program through a **phased approach** allowing further minimization of impacts and design concept collaboration with communities and stakeholders within the delivery process of the various phases

To view the full BPW documents, visit:

https://bpw.maryland.gov/Pages/meetingDocuments_year.aspx





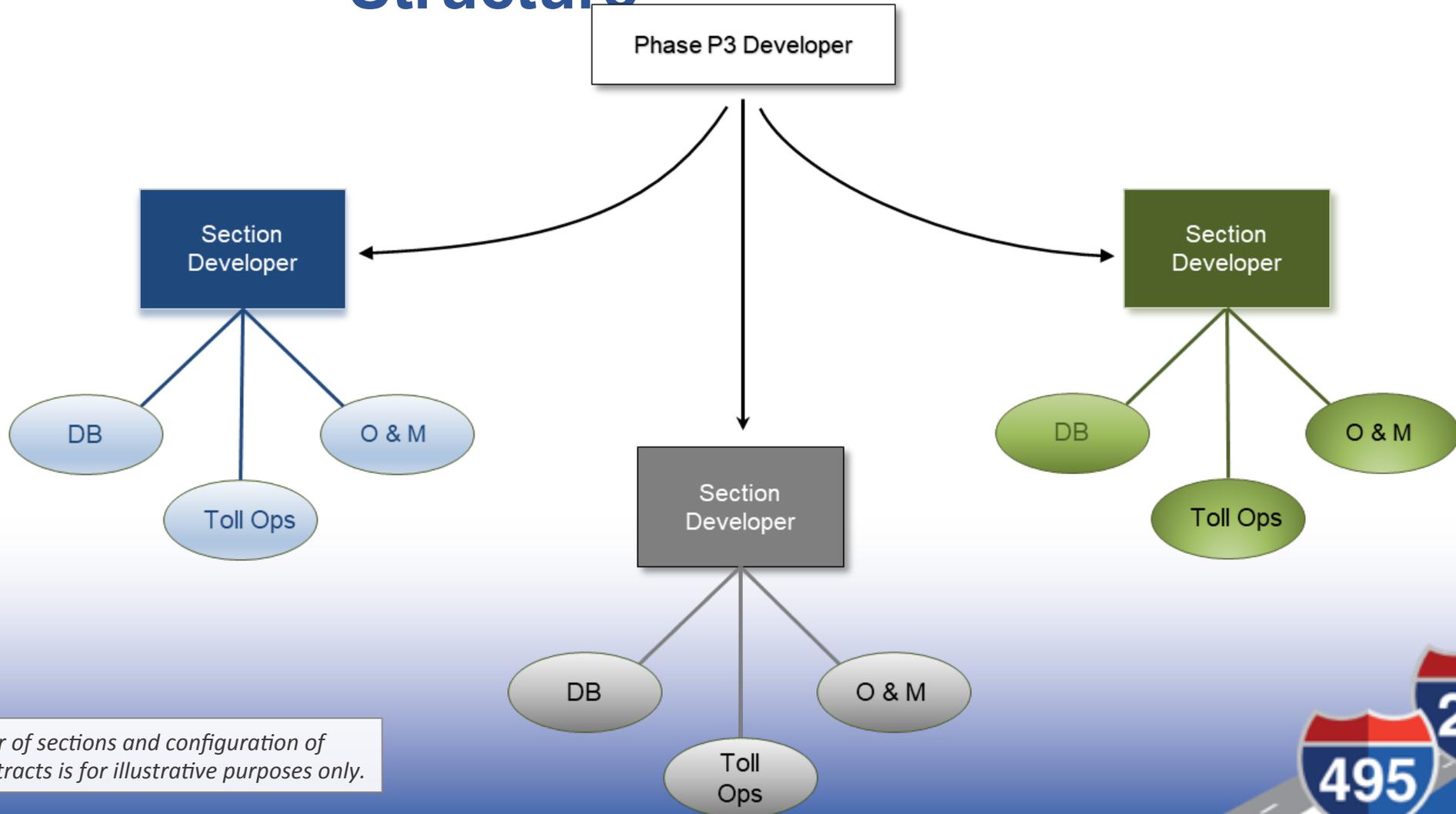
Phased Approach

- Multi-step competitive selection process for a Phase Developer, which will enter a Phase P3 Agreement
- Phase Developer will oversee predevelopment work in coordination with MDOT
- Phase Developer will facilitate the development of specific sections leading to the execution of Section P3 Agreement(s)
- Approach Benefits:
 - Ensure sufficient market participation
 - Allow for improved Design-Build market pricing
 - Engage the Phase Developer in stakeholder outreach
 - Facilitate more collaborative dialogue between, state, local communities and Phase Developers
 - Ensure all sections of a Phase are delivered efficiently





Phased Approach Structure



Number of sections and configuration of subcontracts is for illustrative purposes only.





Phase Developer Scope

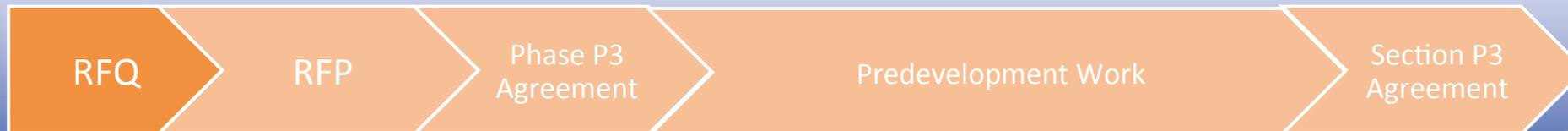
- Initial Scope of Work may include:
 - Phase/section/other plan and schedule development
 - Environmental, community and operations impact avoidance, minimization and mitigation
 - Community outreach and engagement support
 - Risk reduction, pricing optimization and obtaining section pricing, equity and debt financing
 - Traffic and revenue studies
 - Congestion pricing scenarios to support financial plan
 - Debt financing arrangements for each section (including assistance in TIFIA and PABs application process)
 - Regional transit system improvement development assistance to MDOT





RFQ: Evaluation Elements

- **Responsiveness** – conformance to RFQ requirements, organization, and format
- **Responsibility** – determination by MDOT that private entity has capacity in all respects, integrity, and reliability to perform requirements of a P3 agreement
- **Pass/Fail Review**
 - Respondent information is compliant to RFQ
 - Contracting and equity qualifications and certifications
 - Commitment of key personnel and to Opportunity MDOT
- **Evaluation Criteria** – Technical and financial experience, capacity, and approach
- Each respondent team must include an Equity Member, a Designer, a Lead Contractor, and a Lead Project Developer





RFQ: Adjectival Ratings

- Evaluation shall be qualitative with **adjectival ratings** assigned:
 - **“Exceptional”** – complete understanding of goals and objectives; outstanding commitment to innovation and quality; highly skilled team with experience in all aspects; significant strengths and minor weaknesses, if any
 - **“Good”** – strong understanding of goals and objectives; commitment to innovation and quality; qualified team with experience in almost all aspects; strengths that outweigh weaknesses
 - **“Acceptable”** – adequate understanding of goals and objectives; commitment to innovation and quality; qualified team with experience in some aspects; strengths offset by weaknesses
 - **“Unacceptable”** – not demonstrated understanding of goals and objectives; SOQ fails to meet stated requirements and/or lacks essential information; commitment to innovation and/or quality is not adequate; unqualified or unproven team; contains deficiencies, significant weaknesses, and minor strengths, if any
- Ratings of Exceptional, Good, and Acceptable may also contain (+) or (-) to further differentiate SOQs
- “Weakness” means any flaw that increases the risk of unsuccessful performance
- An “Unacceptable” rating will eliminate a proposer from being Shortlisted





RFQ: Evaluation Criteria

- **Weighting** will be based on relative importance (critical, significant, important)
 - "Critical" has approximately three (3) times the relative importance as Important
 - "Significant" has approximately two (2) times the relative importance as Important
- **Specific Criteria Include:**
 - Phase Developer Team – *Critical*
 - Project Development Experience and Capability – *Critical*
 - Equity Experience and Resources – *Significant*
 - Congestion Management and Pricing Experience and Capability – *Important*
 - Construction Experience and Capability – *Important*
 - Design Experience and Capability – *Important*
 - Key Personnel – *Significant*
 - Understanding of Development Approach – *Important*





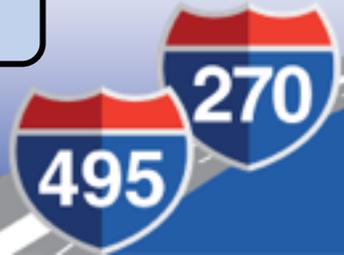
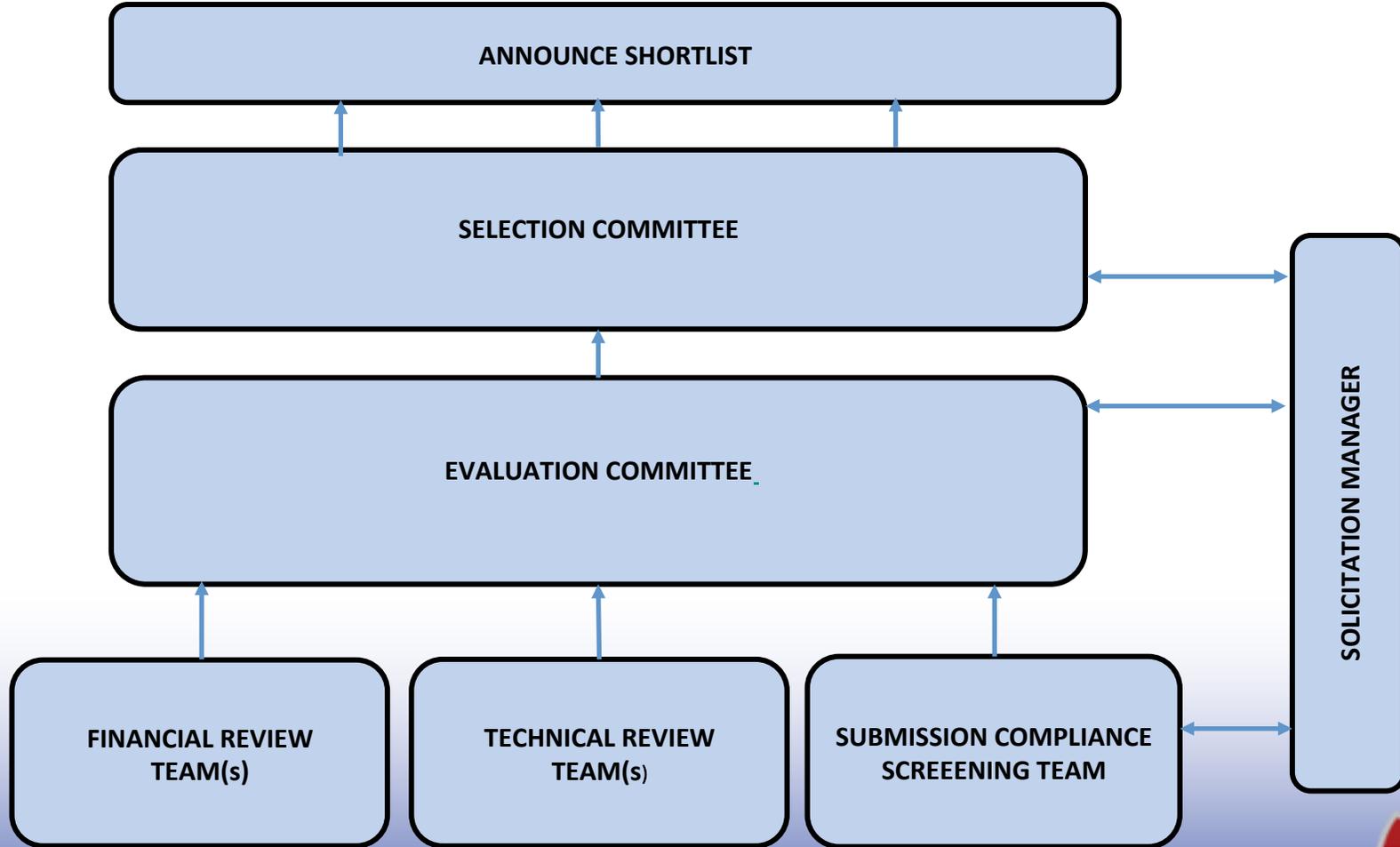
Key Personnel

1. **Phase Developer Project Manager:** lead all predevelopment work, full responsibility for execution of work on behalf of Phase Developer
2. **Construction Project Manager:** full responsibility for executing predevelopment work related to constructability and biddability under Phase P3 agreement, primary point of contact between Phase Developer and Lead Contractor
3. **Design Project Manager:** full responsibility for executing predevelopment work and design work under Phase P3 agreement
4. **Lead Finance Manager:** full responsibility for coordinating the predevelopment work associated with securing debt and equity investments for each Section P3 agreement





RFQ: Evaluation Process Structure





Request for Qualifications (RFQ)

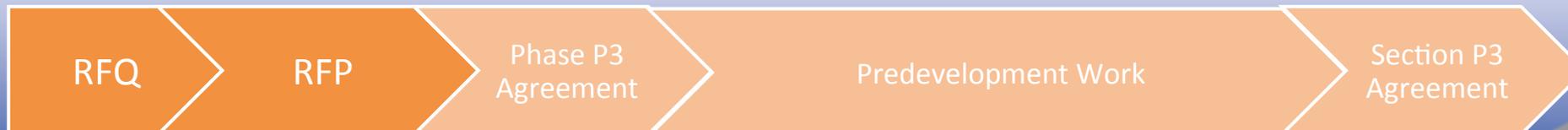
- **eMaryland Marketplace Advantage (eMMA):**
<https://procurement.maryland.gov/> - must register to download and respond to RFQ
- **Proposed Schedule:**
 - RFQ Issuance – February 7, 2020
 - Requests for Clarifications (RFC) – February 7 - March 30, 2020
 - Statement of Qualifications (SOQ) Due – April 22, 2020
 - Anticipated Notification of Shortlist – June 5, 2020





Request for Proposals (RFP)

- RFP only provided to Shortlisted Proposers
- Innovative Dialogue Process (IDP) to facilitate understanding and incorporate feedback in final RFP
- Best value evaluation based on plan, approach, and financial commitment to predevelopment process
- Draft Phase P3 Agreement and Form of Section P3 Agreement attached
- **Proposed Schedule:**
 - Anticipated Notification of Shortlist – June 5, 2020
 - Issue Draft Request for Proposals (RFP) to Shortlist – July 2020
 - Issue Final RFP to Shortlist – December 2020
 - Proposals Due – February 2021
 - Selection of Selected Proposers – March 2021
 - Seek BPW Approval on Phase P3 Agreement/Award and Execute Phase P3 Agreement – May 2021





RFP Evaluations

Phase P3 Proposals submitted in February 2021 will be evaluated based on criteria including:

- **Congestion Relief** – approach to maintaining operating speeds on managed and general-purpose lanes during operations period
- **Minimize Impacts** – approach to minimizing environmental impacts and other community impacts, including concepts for effective community engagement
- **No Net Cost to State** – approach to delivering Phase 1 at no net cost to the State
- **Accelerated Delivery** – approach to delivering Phase 1 within the shortest time period reasonably possible while meeting all other goals and requirements of the P3 Program, with a focus on aligning with the Bi-state Capital Beltway Accord partnership for the American Legion Bridge
- **Shockingly Innovative** – proposed innovative methods and solutions that further all other requirements of the P3 Program

RFP Evaluation Criteria are still under development





Phase P3 Agreement

- Establishes roles and responsibilities for predevelopment process
- Open Book and/or Competition to ensure pricing reasonableness for major components
- Goal of initial financial close and groundbreaking on first section by Fall 2022
- Will require BPW approval





Predevelopment: Section Design-Build Pricing

Scope

- Work collaboratively with MDOT to develop cost models and reconcile Design-Build pricing for each proposed Section of Phase 1
- Flexibility to develop final Design-Build pricing through Open Book Pricing, Competitive Solicitation(s), or a combination of both

Open Book Pricing

- All Design-Build Work self-performed by entities of the Phase Developer shall be priced open book and compared to MDOT's independent cost estimate
- Subcontracted work will require multiple subcontractor quotes

Competitive Solicitation

- Work not priced through Open Book Pricing will be competitively solicited on the open market
- MDOT will have oversight over all competitive solicitation processes





Predevelopment: Section Financing and O&M Pricing

Financing

- Phase Developer will be required to undertake an investment grade traffic & revenue study for each section for review by MDOT on an open book basis
- Phase Developer will be required to develop committed financial proposal, including securing necessary investment grade ratings and negotiation of terms with TIFIA. MDOT will participate and have input at all stages
- Equity not provided by members of the Phase Developer may be required to be competitively solicited

O&M Pricing

- O&M pricing would follow similar process as Design-Build pricing





MDOT MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION

Opportunity MDOT





P3 Program Workforce Opportunities

- P3 Program's estimated \$9-\$11 billion (2017 \$) construction cost will support numerous construction, operations and maintenance jobs in the region.
- Recent estimates suggest every \$1 billion in highway construction supports approximately **13,000 jobs** for one year.
- Agreements will include numerous requirements for **job training** and **fair hiring** practices and wages, as well as goals for **minority/disadvantaged and small businesses**.
- Due to the nature of the work, a large portion of the construction, operating and maintenance expenditure will stay in Maryland.





Maximizing Opportunities:

- Under Governor Hogan's Administration, MDOT is committed to implementing the State's minority business programs.
 - This includes not only typical minority business inclusion and on-the-job opportunities on the I-495 & I-270 P3 Program but
 - A new approach for MDOT to PARTNER with businesses for successful inclusion, diversity in employment and workforce development





Vision for Opportunity

Imagine the benefits to our communities and our businesses:

- Robust mentorship program for minority-owned and women-owned Disadvantaged Business Enterprise (DBE) and Small Business Enterprises (SBE)
- Fostering new DBE firm and skill development to increase available firms and opportunities in the marketplace
- Creating opportunities for prime contractors and DBE firms to collaborate on business ventures
- Maximizing opportunities for small, women, minority, disadvantaged, and veteran-owned businesses
- Offering extensive on-the-job training programs and apprenticeship opportunities to provide new skills and a career path for workers
- Proactive engagement and partnering with communities who would benefit
- Incentives for companies to keep workers on for the duration of the project





Opportunity MDOT

- Reaching thousands of Maryland's small, MBE and DBE firms through virtual Center of Excellence to assist and guide them to contracting opportunities
- Empaneled an Advisory Council of industry, professional civil rights and community resource leaders to amplify outreach and supportive services
- Connecting jobseekers with On-the-Job training opportunities for new careers in transportation ranging from construction to operations and maintenance
- Positioning MDOT to be nationally recognized for its innovative approach and commitment to empowering small, minority, women, veteran-owned and disadvantaged businesses





Thank you!

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Key Takeaways

- The Program is essential to the network
- We are progressing the required regulatory and legislative approvals
- The Program is financially, technically and commercially feasible
- Procurement and Delivery Processes reflect market conditions





Questions?

