Public-Private Transportation Partnership Board Meeting

JUNE 16, 2021
Agenda

• Call to Order
• Roll Call
• Adoption of 11.12.20 Meeting Minutes
• Chair’s Remarks
• New Business
• Project Updates
• Other Business
• Public Comments
• Adjournment
In Memoriam

Executive Deputy Secretary
George W. McAuley, P.E.
Agenda

• Call to Order
• Roll Call
• Adoption of 11.12.20 Meeting Minutes
• Chair’s Remarks
• New Business
• Project Updates
• Other Business
• Public Comments
• Adjournment
New Business
Project Updates
Major Bridge P3 Initiative
PennDOT PAthways

1. **Lower Revenue From Gas Tax**  
   (more fuel-efficient vehicles)  
   People are using less gas. Fuel efficiency is great for the environment and our pockets. But this means we are collecting less gas-tax revenue.

2. **Unpredictable Federal Funding**  
   The Federal gas tax hasn’t been raised since 1993 - 27 years ago. To put this in perspective, an average cup of coffee was 75 cents then and now costs about $1.65. Inflation caused the cost of a cup of coffee go up. And it also raised the cost of construction materials. In fact, the cost of construction materials has gone up 140% over the past 30 years. As a result, the Federal Highway Trust Fund does not provide the funding that is needed for national infrastructure.

3. **Changes in Travel Patterns**  
   (COVID-19)  
   Vehicle miles traveled dropped 40% in the spring and have recovered somewhat but still remain down 20%. This may have a lasting impact on our economy, where and how we work, and where and how we go to school. PennDOT estimates that the pandemic has contributed to revenue losses of $400 million in gas tax revenues and other revenue sources in 2020, and the losses are expected to grow.
PennDOT PAthways

A long-term program to analyze and implement new future-focused sources of funding for our highways and bridges that could better serve our communities and all Pennsylvanians for the next generation.
Bridge Tolling, Major Bridge P3 Initiative

**When**
Could be advanced in 2 – 4 years

**Why**
Drivers that use the bridge pay for the bridge, including out-of-state travelers. Can be implemented more quickly than many other alternative funding options.

**How**
Major Bridge P3 Initiative & the Nine Candidate Bridge Projects. This option required P3 Board approval which was received in November 2020.
PennDOT’s Major Bridge P3 Goals

1. Accelerate the renewal of major bridges to ensure public safety
   Leveraging private equity investment in Pennsylvania’s infrastructure will allow PennDOT to deliver the replacement of major bridges at an accelerated pace that current funding streams cannot support.

2. Avoid time and financial impacts of travel diversion resulting from bridge restrictions and closures due to bridge condition
   A strong transportation network helps to support the Commonwealth’s economic vitality and economic development.
PennDOT’s Major Bridge P3 Goals

3. Help offset gas tax revenue losses, as identified by the Commonwealth Transportation Advisory Committee (TAC) and exacerbated by the coronavirus pandemic

Deliver a pilot program that establishes an alternative funding mechanism that is not reliant on current gas taxes

4. Ensure users (including out-of-state traffic) contribute fairly to the replacement or rehabilitation of the bridges based on usage

A dedicated revenue source through user fees enables PennDOT to avoid being forced to divert funding away from regional Transportation Improvement Programs (TIPs) across the state
5

Create a sustainable funding model for the Commonwealth major bridges

Secures a fair, dedicated, user-fee based funding source for construction and long-term maintenance of these bridges
Candidate Bridge Locations

Candidate Bridge Projects

- A: I-81 Susquehanna
- B: I-80 Nescopoek
- C: I-78 Lenhartsville
- D: I-80 Lehigh
- E: I-95 Girard Point
- F: I-83 South Bridge
- G: I-80 Canoe Creek
- H: I-80 North Fork
- I: I-79 Bridgeville
Outreach & Engagement

- 14 Press Releases
- 9 Media Briefings
- 50+ Media Interviews
- 40+ Community and Industry Group Presentations by the Secretary, Executive and Program Staff
- 4,775 Comments Received
- 35+ FAQs Answered and Growing
- 1,194 Local / Regional Stakeholder Updates

All metrics as of November 2020 unless otherwise indicated.
Outreach & Engagement

- 5 Monthly e-Newsletters issued since December
- 137,506 Website Pageviews
- 5,241 Email News Alerts / Notifications to legislators, stakeholders, the media and the public
- 1.6 million Social Media Impressions
  - 327 Social Media Posts
  - 88,776 Social Media User Engagements*

*Social Media User Engagement is defined as likes, reactions, comments, shares, retweets, and link clicks.

All metrics as of November 2020 unless otherwise indicated.
Major Bridge P3 Initiative: Next Steps

- Environmental and Diversion Route analysis.
- Traffic and Revenue Analysis
- Determine the specific toll rate for each bridge
- Ongoing stakeholder and community engagement and involvement
Project Overview: The purpose of the Project is to deliver infrastructure improvements focusing on the rehabilitation and replacement of nine major bridges (and associated roadways) across the Commonwealth.

- Procurement Method: Progressive P3 DBFM
- Concession Period: TBD
- Repayment Method: Availability Payments funded by toll revenues backstopped by PennDOT
- Toll Collection: Operated by PTC with toll setting authority maintained by PennDOT

Project Milestones:
- 11/12/20: Project received P3 Board approval
- 02/22/21-03/12/21: Project RFI release and submission date
- 03/29/21: Industry Outreach Presentation
- 03/29/21-04/02/21: Virtual One-on-One Meetings with Industry
Factors for P3 Success

1. Incentivize Development Entities to engage a broader range of firms in meaningful work.

2. Incorporate contractual requirements to address subcontractor concerns with other P3 initiatives, such as the responsibility for sourcing materials.

3. Incentivize Development Entities to ensure that risks are balanced, or at least not placed disproportionately on subcontractors.
Factors for P3 Success

4. Create opportunities for sub-contracting at various points in time throughout the process.

5. Implement a more streamlined procurement approach that is less costly for both private and public sector parties.

6. Leverage innovative financing tools that support lower financing costs.
Industry Outreach

1. 3 Industry events between PennDOT, APC, ACEC-PA to understand challenges, address concerns, discuss project
   - 12/23/20  01/07/21  02/11/21

2. Project Request for Information (RFI) released on 2/22/21 for Industry input and feedback
   - 23 responses received

3. P3 Outreach webinar conducted on 03/29/21
Industry Outreach

4. 9 One-on-One Sessions Conducted with selected respondents of RFI
   - March 30 – April 1, 2021

5. Additional Industry Outreach webinar conducted on 05/06/21

6. P3 Outreach presentation conducted for PennDOT Supportive Services Networking Workshop (DB/DBE)
   - 06/04/21
Industry Outreach

7 • Major Bridge P3 Initiative Presentation to Clarion County Chamber of Commerce
   • 06/04/21

8 • 2 Presentations to both the State Transportation Commission (STC) and the State Transportation Advisory Committee (TAC)

9 • Presentations to the PA Planning Partners and bi-weekly discussions with FHWA and the PA Turnpike Commission
Legislative Outreach

I. PA Senate Transportation Committee Hearing
   • 01/25/21

II. PA House of Representatives Hearing on P3
    • 03/24/21

III. PA Senate Hearing on the Planning and Environmental Linkages (PEL) Document
     • 05/12/21
Procurement Approach for Major Bridge P3: Progressive Public-Private Partnership

Industry Outreach Events
March/April 2021

Selection of Development Entity
(Origny Partners and other Lead Firms)

- RFQ Issued June/July 2021
- SOQs Submitted August 2021
- Shortlist Announced / Draft RFP Issued September 2021
- Final RFP Issued December 2021
- One-on-Ones / Draft RFP Revisions September 2021 - December 2021
- Proposals Due January 2022
- Commercial Close For PDA February/March 2022
- Proposer Selected February 2022
- One-on-Ones / Draft RFP Revisions September 2021 - December 2021
- Final RFP Issued December 2021
- Proposals Due January 2022
- Commercial Close For PDA February/March 2022
- Proposer Selected February 2022

PDA

Collaborate with Development Entity to finalize plan for delivery and prices for packages, with an initial focus on Package #1 March 2022 - December 2022

Number of packages are under development and subject to change.
Actual dates are under development and subject to change.
Progressive P3 Overview

- Progressive P3s have a shorter initial procurement period to select a Development Entity, followed by more focused procurements for support contracts related to specific future packages.

- Selection of a progressive Development Entity will be based on a combination of qualifications, high level concepts, and indicative budget.

- The selected progressive Development Entity collaborates closely with the public owner to develop design, cost estimates, refining risk allocation, and finalizing the financial structure.

- Initial work between the Development Entity and the public owner would be governed by a pre-development agreement (PDA) which outlines a transparent and collaborative process to further define project scopes.
Progressive P3 Overview

- The project design would be advanced under the PDA to the point at which the progressive Development Entity and the public owner can agree on a design, which is typically in the 30-60% range, depending on the project.

- The Progressive P3 allows for bridges to be procured individually, if appropriate, presenting an opportunity for PA contractors to pursue DB teaming relationships.

- The PDA can incorporate options and off-ramps to support PennDOT’s long-term project needs.
P3 Concepts

The PDA procurement process is anticipated to include:

• Additional details about the preferred timing of certain bridges.
• More information about planning and environmental status of each bridge.
• Opportunities for small, diverse, and disadvantaged businesses to engage in the process.

Financial close on the initial DBFM package by the end of 2022, where:

• Agreements may provide additional incentives for schedule delivery, including potential interim milestones before the end of 2022.
• Significant penalties, such as the loss of the right to future packages, are being considered.

Agreements are anticipated to include:

• Limits for the maximum amount of work that could be self-performed or done by affiliates of Development Entity and Lead Contractor.
• Provisions and/or requirements for the addition of new equity partners for future DBFM packages.
• Provisions to ensure transparency and competitiveness of pricing.
Major Bridge P3 Initiative: Next Steps

Major Bridge P3 Initiative Process Timeline

- Jun 2021: P3 RFQ Issued
- Jul 2021: Draft P3 RFP Issued
- Aug 2021: Final P3 RFP Issued
- Sep 2021: Individual Bridge Projects’ Public Meetings
- Oct 2021: Draft P3 RFP Issued
- Nov 2021: Final P3 RFP Issued
- Dec 2021: Final P3 RFP Issued
- Jan 2022: Final P3 RFP Issued
Conclusion

The Major Bridge P3 Initiative was approved by the P3 Board to utilize the DBFM model of P3 delivery for the replacement of select major bridges on interstates and expressways.

Deliver a program that is financially solvent, through the implementation of user fees, without the need for outside subsidies.

Establish a program that replaces large bridges without the need to divert funding away from regional projects.

PennDOT is committed to working with industry partners to enhance the overall P3 approach, based on best practices and lessons learned.
Partnership 81 Project
Project Purpose

Address needed safety and mobility improvements along a section of I-81 in Luzerne County

Alleviate peak travel congestion through corridor

Utilize innovative P3 delivery to accelerate schedule and realize cost savings
Project Improvements

- Reconstruction and widening of I-81 to 3 lanes in each direction
- Elimination of a left-hand exit on I-81
- Replacement of poor condition bridges
- Redesign of other intersections immediately off I-81
## Project Activities

### 1. Environmental
- Wetlands and Waters Identification Studies
- Purpose and Need Report
- Hazardous and Residual Wastes Studies
- Above Ground Historic Structures
- Phase I Archeological Assessment
- Threatened and Endangered Species Studies

### 2. Highway
- Alignment Analyses to Improve Safety and Mobility
- Traffic Counts and Data Analyses
- Geotechnical Studies for Subsurface Challenges
- Target Schedule for NEPA Clearance: June 2022

### 3. Contracting
- Risk Management
- Developed Procurement Schedule based on NEPA Clearance
- Determined Delivery Method: Design-Build-Finance
Next Steps

Preliminary Engineering
- Complete Alternatives Analysis and Identify Preferred Alignment
- Traffic Safety & Operations Analyses
- Point of Access Study
- Conduct first Public Involvement Meeting on project
- Identify and Quantify Environmental Impacts and Mitigation Requirements
- Geotechnical Baseline Investigations
- Design Field View

Project & Procurement Milestones
- Issue RFQ (Sep. 2021)
- Shortlisting (Feb. 2022)
- NEPA Clearance (June 2022)
- Final RFP (June 2022)
- Contract Closings (Dec. 2022 / Feb. 2023)
Rapid Bridge Replacement (RBR) Project
RBR Project Status

RBR Bridges Constructed by Year

- 2015: 44
- 2016: 127
- 2017: 217
- 2018: 143
- 2019-2020: 27
RBR Maintenance Phase

RBR P3 agreement includes a 25-year maintenance term on each bridge

- Development Entity (DE) maintains bridges for a 25-year period beginning at the time of completion and final acceptance of each bridge by PennDOT
- Ensures each bridge is handed back to PennDOT in suitable condition

RBR Maintenance Guidance Document (PUB. 104)

- User’s guide to assist with understanding contractual requirements and responsibilities
- Includes helpful information, guides and references to program-related links for contractual documents, Department policies and procedures and more.
Compressed Natural Gas (CNG) Fueling Stations
CNG Transit Fueling Stations

[Map of CNG Transit Fueling Stations in Pennsylvania]

- Completed
- Planned Construction (2022-2024)
- Public Access

As of June 2021
PennDOT Sponsorship and Advertising Program

Benefits

• Generates sponsorship and advertising revenue to offset the costs of sponsored programs and provided an additional source of funds for other transportation-related projects and initiatives

• Safety Service Patrol, which is the main sponsorship program to be included, enhances the safety of the traveling public and lessens congestion

Status

• PennDOT has selected two (2) firms for the Sponsorship & Advertising program: The Superlative Group and 2i Group

• These teams are now conducting an evaluation of sponsorship opportunities to present to the P3 Office and PennDOT for consideration
Unsolicited Proposals Update
## Unsolicited Proposals – Under Consideration

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proposed By</th>
<th>P3 Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>District 4 Northern Tier Counties Bridge Replacements</td>
<td>CDR Maguire</td>
<td>Under Consideration</td>
</tr>
<tr>
<td>PA Smart Transportation Infrastructure Initiative</td>
<td>Keystone Initiative for Network Based Education and Research (KINBER)</td>
<td>Under Consideration</td>
</tr>
<tr>
<td>Shared Mobility Incentives *</td>
<td>Hytch Rewards</td>
<td>Under Consideration</td>
</tr>
<tr>
<td>Drivewyze PreClear (Weigh Station Bypass) and Other Services *</td>
<td>Drivewyze</td>
<td>Under Consideration</td>
</tr>
</tbody>
</table>

* April 2021 Submission
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proposed By</th>
<th>P3 Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Solutions P3</td>
<td>Resource Environmental Solutions</td>
<td>On Hold</td>
</tr>
<tr>
<td>PennDOT Truck Parking Expansion Program</td>
<td>Truck Specialized Parking Services, Inc.</td>
<td>On Hold</td>
</tr>
<tr>
<td>PennDOT Solar Initiative</td>
<td>Solar Renewable Energy, LLC</td>
<td>On Hold</td>
</tr>
<tr>
<td>Project Name</td>
<td>Proposed By</td>
<td>P3 Action</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Commercial Truck Parking / Private Truck Parking</td>
<td>JJGD, LLC</td>
<td>Dismissed</td>
</tr>
<tr>
<td>Mercer County Bridge Bundling Project</td>
<td>CDR Maguire / Brayman Construction JV</td>
<td>Dismissed</td>
</tr>
<tr>
<td>SMOG Sequestering Billboard Environmental Conditions Test</td>
<td>Kegerreis Outdoor Advertising LLC</td>
<td>Dismissed</td>
</tr>
<tr>
<td>Self Serve Vehicle Registration Renewal Kiosks</td>
<td>Livewire Digital</td>
<td>Dismissed</td>
</tr>
<tr>
<td>PA Rapid Stormwater Replacement</td>
<td>Abel Recon / Rettew Associates</td>
<td>Dismissed</td>
</tr>
<tr>
<td>EZ Adz Safe Road Awareness Marketing and Advertising</td>
<td>BuzyBeez Safe Road Awareness Marketing</td>
<td>Dismissed</td>
</tr>
<tr>
<td>Keeping Pennsylvania Moving *</td>
<td>Cessna Comminucations LLC</td>
<td>Dismissed</td>
</tr>
</tbody>
</table>

* April 2021 Submission
P3 Board Meeting

Other Business

Public Comments

Adjournment

Next Board Meeting: December 9, 2021 1:00 P.M.