

PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIPS BOARD
SUMMARY MINUTES
HARRISBURG, PENNSYLVANIA
DECEMBER 4, 2019

CALL TO ORDER:

The fifteenth meeting of the Public-Private Transportation Partnerships Board (Board) was convened by Deputy Secretary for Planning Larry S. Shifflet, on behalf of Secretary of Transportation Leslie S. Richards, at 10:11 a.m. on Wednesday, December 4, 2019, in the Forest Room, Keystone Building, Harrisburg, PA.

ROLL CALL:

P3 Office Director Michael Bonini called roll and noted that until the Board Chair, Secretary Leslie S. Richards, arrived, Deputy Secretary for Planning Larry S. Shifflet would take the Secretary's place as alternate. With all seven Board members being present, Mr. Shifflet noted that a quorum was established.

Members Present:

Honorable Leslie S. Richards
Mr. Larry S. Shifflet (temporary alternate to Honorable Leslie S. Richards)
Honorable Michael Carroll (via phone)
Mr. Howard A. Cohen
Mr. Gregory Davis (via phone)
Mr. Ronald Drnevich
Mr. James Kunz, Jr. (via phone)
Mr. Mark Ryan (alternate to Ms. Jen Swails)

ADOPTION OF MEETING MINUTES:

The May 30, 2019, meeting minutes were unanimously approved on a motion by Mr. Ron Drnevich and seconded by Mr. Mark Ryan.

CHAIR'S REMARKS:

Deputy Secretary Larry S. Shifflet welcomed everyone to the board meeting, and introduced the three new Board Members who were appointed in 2019; the Honorable Jen Swails, who replaced Randy Albright on the Board as Secretary of the Budget in January, and who was represented at the meeting by her designated alternate, Mr. Mark Ryan; Honorable Michael Carroll, who replaced Representative William Keller as the Appointee of the Senate Minority Leader; and Mr. Howard A. Cohen, who was appointed in August by the Senate Majority Leader. Deputy Secretary Shifflet also called attention to the recent announcement of the new Secretary of Transportation nominee, Yassmin Gramian, and also offered appreciation for former P3 Office staff member, Kathryn Tartaglia, who recently accepted a new position within the Department, and thanked her for her years of service.

Deputy Secretary Shifflet noted that PennDOT has been moving P3 projects forward and has placed much focus on managing the successful delivery of projects initiated as public-private partnerships. He also noted that a new project for Board consideration and approval would be presented.

APPROVED PROJECT UPDATES:

COMPRESSED NATURAL GAS (CNG) FUELING STATIONS FOR PUBLIC TRANSIT AGENCIES:
PRESENTED BY MR. JOSEPH GURINKO

This project was approved by the Board in September 2014. Upon completion, the project will bring CNG fueling stations to 25 transit facilities across the Commonwealth as they begin to transition from diesel fleets to natural gas buses and support vehicles. Trillium CNG was chosen to design, build, finance, operate and maintain CNG fueling infrastructure for transit agencies while permitting the opportunity for public sales at six locations. Using CNG to power transit fleets will provide better cost certainty to both transit agencies and PennDOT, and help the environment by using a cleaner burning fuel.

Mr. Gurinko reviewed a status map of the project with the Board, noting that 16 stations have been built, including four of the six that provide public access. Another three stations are currently under construction, and the remaining six are scheduled to start construction in 2020 and 2021. The project provides considerable value for money, as it will pay for itself through economies of scale in building the stations, and through savings in fuel costs for the participating transit agencies.

Mr. Howard A. Cohen inquired as to the existence of a compiled listing or map of every CNG station throughout the Commonwealth; and if not, whether the Department should be tracking this. Mr. Gurinko directed the inquiry to Scott Zeevaart, the Project Manager, who informed Mr. Cohen that such a compiled list does not exist nor does the tracking of such, as all CNG sites are volunteered by the respective agencies. Mr. Bonini added that they will work with appropriate PennDOT staff to compile information and follow up with Mr. Cohen on this.

No action was required by the Board.

CHALFONT MITIGATION BANKING: PRESENTED BY MR. JOSEPH GURINKO

This design, build, finance, operate and maintain (DBFOM) project was approved by the P3 Board in July 2017, and aims to optimize efficiency by developing 140 acres of PennDOT-owned land in Chalfont Borough and New Britain Township, Bucks County, into a mitigation banking site. The site will provide on-demand wetland mitigation credits for PennDOT projects. Benefits include cost effectiveness, accelerated project delivery and the creation of 30-40 environmental mitigation credits in a watershed where no mitigation banks currently exist. Additionally, liability would be transferred from PennDOT to the private partner.

Mr. Gurinko included that a Request for Information was issued in February 2018, and information gleaned as a result was used as a basis for the development of a Request for Qualifications, which was issued in November 2018. The P3 Office then held an

Industry Forum and Site Visit in December 2018 for potential proposers. In March 2019, PennDOT announced the three teams that were shortlisted to respond to the Request for Proposals, and conducted one-on-one meetings with each of the potential proposers.

Mr. Gurinko stated that, during this process, some concerns were brought to light involving the actual amount of land suitable for credits being less than anticipated, among other factors. This resulted in the project being financially infeasible as a P3 project and therefore has been dismissed as a P3 project. Mr. Gurinko noted that this is not a lost opportunity, as a mitigation bank is still needed in that area and the Bureau of Project Delivery will continue to pursue the development of this site.

No action required by the Board.

RAPID BRIDGE REPLACEMENT: PRESENTED BY MR. MICHAEL BONINI

The Rapid Bridge Replacement (RBR) project was approved by the Board in September 2013. This was the first P3 project to be approved. Plenary Walsh Keystone Partners (PWKP) was selected as the Development Entity in October 2014. Commercial close occurred in January 2015 and bridge construction started in June of that same year. PWKP was tasked to replace 558 bridges rated poor across the Commonwealth. The Department will maintain ownership of the bridges, but the Development Entity is responsible for maintaining each bridge for 25 years after replacement.

Mr. Bonini noted that 556 bridges have been successfully replaced and open to traffic. The remaining two bridges are under construction and will be completed in early 2020. This means that, with the design and construction phase coming to a close, the focus will shift to the 25-year maintenance phase. He added that the original anticipated construction completion was in 2018, but there were adjustments to the schedule due to weather conditions.

Mr. Bonini continued, providing an overview of the project's benefits and successes, such as the utilization of the Special Experimental Project – 15 (SEP-15) with FHWA, which allowed the development entity to develop the necessary NEPA documents in a streamlined manner. He noted that the RBR project was awarded the 2019 Transportation Project of the Year award by the March of Dimes.

Mr. Bonini noted that each Board member was provided a copy of the Lessons Learned Report. This Lessons Learned initiative was an effort to use the experience of the RBR project as a learning tool to not only disseminate the findings that will be useful in developing future projects, but also to gather experiences from other partners in the project.

Mr. Bonini welcomed Secretary of Transportation Leslie S. Richards and Secretary-appointee Yassmin Gramian, who had joined the meeting. He then opened the floor for questions or comments.

Mr. Ronald Drnevich inquired as to what the original cost of the project was, to which Mr. Bonini responded that the original figure for design and construction costs was \$899 million, but with adjustments for compensation and relief events, currently stands at

\$1.2 billion. Mr. Bonini added that he would provide Mr. Drnevich with further detailed information on this matter.

Mr. Howard A. Cohen asked about the public oversight of the RBR project's maintenance phase, and the party responsible for such. Mr. Bonini responded that the Department manages this internally, and that PWKP is responsible for the maintenance. He added that Walsh Infrastructure Management (WIM) coordinates regularly with the Department to ensure they are set up successfully for the maintenance phase. Mr. George McAuley, PennDOT Deputy Secretary for Highway Administration, offered to present information on RBR maintenance at the next Board Meeting.

Representative Carroll asked a question regarding the types of maintenance that the Development Entity is expected to complete. Mr. McAuley detailed that the Development Entity is responsible for approach pavement for five years, annual bridge flushings, completing NBIS inspections every two years, meeting the Department's handback requirements, maintaining guiderail connected to the bridge structures, and other requirements.

No action was required by the Board.

SPONSORSHIP AND ADVERTISING PROGRAM: PRESENTED BY MR. MICHAEL BONINI

The Sponsorship and Advertising program was passed by the P3 Board in January 2013. A contract was awarded to Travelers Marketing in December 2013. Travelers Marketing was tasked to create the program and advise the Department in its consideration of sponsorship and advertising opportunities with respect to marketable assets owned by the Department and the Pennsylvania Turnpike Commission ("PTC"), with Department approval.

One key aspect of this program is the Freeway Service Patrol. Travelers secured State Farm to sponsor the Department's roving safety patrol. This sponsorship has generated \$1.7 million to date in revenue for the Department and has assisted over 25,000 motorists in 2019 alone.

Mr. Bonini noted that the program's first contract with Travelers Marketing expired in March 2019. A new Request for Proposals, a multi-contract award, was issued in May 2019 to identify a partner to develop and execute the marketing and sponsorship program. Contract execution is anticipated to take place in January 2020.

No action was required by the Board.

NORTHAMPTON COUNTY BRIDGE RENEWAL PROGRAM: PRESENTED BY MR. MICHAEL BONINI

The Northampton County Bridge Renewal Program was approved in 2015 using the RBR model. The program includes the design, construction, financing, and maintenance for the replacement and rehabilitation of 33 bridges in the county. Twenty-eight bridges will be replaced and 5 will be rehabilitated. The project objectives include enhancing the overall condition of the county bridge inventory, eliminating structurally deficient bridges, reducing the quantity of functionally obsolete bridges, addressing safety needs, removing weight limit postings, and exceeding traditional delivery schedule.

After providing the overview, Mr. Bonini asked Mr. Charles Dertinger, Northampton County Director of Administration, if he would like to provide further updates on the project. Mr. Dertinger reported that seven bridges have been completed to date, and that only three have been accepted as complete as of May 2019. He informed the Board that no bridges were completed in 2019, and that they have been experiencing issues with the contractor and with contract inconsistencies. Through the end of 2019, 10 bridges were scheduled to be completed. While he noted these details should be taken as a cautionary tale, Mr. Dertinger asked the Board to apply the lessons learned from the RBR project in future county P3 projects.

No action was required by the Board.

DISTRICT 4-0 INTERSTATE BRIDGES: PRESENTED BY MR. MICHAEL BONINI

The District 4-0 Interstate Bridges project was approved by the P3 Board in November 2018. This alternative delivery project, which includes the reconstruction of 15 bridges along I-81 and I-80 in Luzerne County, aims to also ease the financial load on an already tight budget for the maintenance of these structures through value-added delivery. Mr. Bonini noted that since this received Board approval, the Department has taken this idea and decided to place it on hold for the time being. However, a new project for consideration stemmed from this original project, which Mr. Bonini then introduced to the Board.

No action was required by the Board.

NEW BUSINESS:

PRESENTATION AND CONSIDERATION OF INTERSTATE 81 P3 CORRIDOR PROJECT: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini explained to the Board the evolution of this project from its original bundle of 15 interstate bridges in Luzerne County to this current, new P3 project being presented for consideration. As the P3 Office, District 4-0, and the project team analyzed delivery options for the 15 bridges, questions surrounding bridge design resulted in a longer-term evaluation of corridor safety and capacity needs for the bridges located immediately south of Wilkes-Barre. These needed improvements were also identified by the Interstate Steering Committee. This recommended P3 project will aid in addressing long-term safety, capacity and mobility improvements for Luzerne County.

Mr. Bonini continued, detailing the specific needs that this project would address, including the reconstruction and widening of 4.5 miles of I-81 to 3 lanes in each direction, replacement of eight bridges, construction of one new bridge, widening of two existing bridges and the removal of six bridges (three interstate, three state highway). In addition, the proposed project would also address safety and mobility improvements such as the elimination of both a left-hand exit and a substandard weave on I-81.

Mr. Bonini noted that the recommended procurement method would be a Design, Build, Finance and Maintain (DBFM) contract. Regarding funding, approximately \$60 million is

already secured through the Interstate TIP, with the remainder coming from a combination of additional Interstate TIP funds and innovative project financing.

Secretary Richards noted that she was pleased with the idea and agreed that this would be a good instance to use the P3 approach and take advantage of innovation. Mr. Cohen inquired as to what extent federal funds would be involved, to which Mr. Bonini responded that it is anticipated that federal funds would be used but the extent is yet to be known. The P3 Office is coordinating with FHWA. Mr. Cohen followed up, asking if the project needed FHWA approval, to which Mr. Bonini noted that examining the project as a P3 did not require FHWA approval, but they would coordinate with FHWA throughout. Ms. Melissa Batula added that this project would go through the standard design and project delivery process, including coordination and approvals from the required agencies. Honorable Michael Carroll inquired as to the status of discussion with the public on this front. Ms. Melissa Batula responded that none had occurred yet, as preliminary engineering has not yet even begun, but that public outreach would occur during this phase of the project. Representative Carroll noted that the substandard weave that was mentioned is indeed dangerous, and a much needed improvement.

The Interstate 81 P3 Corridor project was approved to proceed on a motion by Mr. Ron Drnevich, seconded by Honorable Michael Carroll, and unanimously approved.

APPROVAL OF UPDATES TO THE P3 IMPLEMENTATION MANUAL & GUIDELINES:

The P3 Implementation Manual was brought to Board attention for approval, as recent updates to the manual had been made in order to align with the gender-neutral policy enacted by the Department.

The P3 Implementation Manual & Guidelines were unanimously approved on a motion by Mr. Howard A. Cohen and seconded by Mr. Mark Ryan.

UNSOLICITED PROPOSALS UPDATE: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini stated that PennDOT accepts unsolicited proposal submittals semiannually, with windows typically open in April and October of each year. The P3 Office received no unsolicited projects in the October 2019 open-window period.

Once each window closes, the P3 Office must evaluate each submittal received for merit. At the time of the Board Meeting, six proposals previously submitted were under consideration, while five had been dismissed.

No action was required by the Board

STRATEGIC DIRECTION FOR P3 OFFICE: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini provided a brief update on the strategic direction for the P3 Office, specifically focusing on corridor improvements and interstate opportunities throughout the Commonwealth. He added that the P3 Office is currently working with the Interstate

Steering Committee to develop methods and avenues to address these needs moving forward.

No action was required by the Board

OTHER BUSINESS:

Board Member Mr. Howard A. Cohen began by thanking Mr. Bonini and Mr. Gurinko for meeting with him upon his appointment to the Board, and for bringing him up to speed on the PennDOT P3 Office and its projects. He continued, emphasizing an electric vehicles initiative and its opportunities, and how he hopes to engage the P3 Office and PennDOT on a program for electric vehicle charging stations along state highways. Mr. Cohen explained that he believes Pennsylvania should also engage in a review of this initiative/potential opportunity, noting that there needs to be some form of tax regimen placed upon electric vehicle drivers.

Deputy Secretary Shifflet responded that there are currently Department efforts underway involving electric and hybrid vehicles. Honorable Michael Carroll also noted that there is currently a bill in motion with the General Assembly regarding the taxing and registration fee on electric vehicles. Additionally, PennDOT has two FHWA grants with the purpose of examining the feasibility and practicality of alternative fuel corridors, including electric.

PUBLIC COMMENTS:

There were no public comments.

ADJOURNMENT:

On a motion by Mr. Mark Ryan, seconded by Mr. Howard A. Cohen, and unanimously approved, the meeting was adjourned at 11:56 a.m.