

# Report for **Pennsylvania 2021-2022**





Presented by the Public-Private Transportation Partnership Board



In presenting this report, the P3 Board would like to express appreciation and gratitude to former Board members Jen Swails and Gregory Thall for their efforts and dedication to serving on the P3 Board through 2021.

In addition, the P3 Board and PennDOT would like to acknowledge and remember the contributions made by former Board member Mr. Howard A. Cohen, who passed away earlier this year. YASSMIN GRAMIAN, P.E. Secretary of Transportation, Chair

HONORABLE MICHAEL CARROLL Appointee of the House Minority Leader

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Appointee of the Senate Minority Leader

**GREGORY DAVIS** Governor's at-large Appointee **RONALD DRNEVICH** Appointee of House Majority Leader

BEN LUKENS Secretary of the Budget

#### HONORABLE TIMOTHY F. MURPHY

Appointee of the Senate Majority Leader

## Letter from the Secretary

On behalf of the Pennsylvania Department of Transportation (PennDOT) and the Public-Private Transportation Partnerships (P3) Office, I am pleased to present the 2021-2022 P3 Report for Pennsylvania.



*Yassmin Gramian, P.E.* Secretary of Transportation This year marks 10 years since the adoption of Act 88, Pennsylvania's P3-enabling legislation. Act 88 served as a catalyst in our pursuit and development of innovative transportation projects to improve safety and the quality of life for the users of our transportation system. It is only fitting that, at the time of reaching this decade milestone, we are witnessing the seamless transition from successful completion of our earliest P3 ventures into the next generation of innovative opportunities.

The Rapid Bridge Replacement (RBR) project, the largest bundled bridge project in Pennsylvania history, completed construction on all 558 bridges in 2020, and is being maintained by our private partner for a 25-year period ending in 2042. The Partnership 81 Project, which aims to address needed safety improvements along a section of I-81 near Wilkes-Barre, is on track to be ready for procurement in 2023. Our Compressed Natural Gas (CNG) project has completed construction on 19 of the project's 24 fueling stations and has already saved PA transit agencies over \$9.5 million in fuel costs.

We also made significant strides with the Major Bridge Public-Private Partnership (MBP3), which aims to provide Pennsylvania travelers, residents and businesses with cost-efficient and high-quality transportation infrastructure by accelerating the replacement or rehabilitation of major bridges. This was highlighted by the selection of Bridging Pennsylvania Partners (BPP) and the execution of the Pre-Development Agreement in May 2022 to finalize the design and packaging of the bridges to be built, financed and maintained.

The P3 Office has also made all necessary updates to work activities, processes and systems that emanated from the passage of Act 84 of 2022, which updated the P3-enabling legislation. As a result, the P3 Office has updated the P3 Implementation Manual and Guidelines, which outlines the activities of the P3 Board and PennDOT.

By continuing the evolution and maturity of P3 in Pennsylvania as we move forward, the P3 Office can provide more local private sector opportunities, providing for a safer transportation network and creating a stronger economy.

## Rapid Bridge Replacement (RBR) Project

#### About the Project

P5

The Rapid Bridge Replacement (RBR) project is a globally recognized innovative delivery project for infrastructure management. By the end of 2020, construction on all 558 bridges was complete. These new bridges are now being maintained by our private partner, Plenary Walsh Keystone Partners (PWKP), until 2042. The replaced bridges represent statewide rural regions that are now safe from facing bridge closures or postings, securing the communities' transportation network and vitality.

#### Moving Forward – Maintenance Phase

A significant piece of the RBR project's P3 agreement is that of the 25-year maintenance term on each bridge, in which PWKP agrees to undertake all work on a whole-life management basis to ensure that each replacement bridge is handed back to PennDOT in a suitable condition upon completion of the maintenance phase.

The maintenance term for each respective bridge begins at the time of completion and final acceptance by PennDOT. PWKP responsibilities within each bridge's maintenance limits include maintenance of pavement, bridge cleanings, vegetation, adjacent stream channels, concrete approaches, drainage, retaining walls and guide rails.





## PennDOT Sponsorship and Advertising Program

In January 2013, the P3 Board approved the P3 Traveler Information and Traffic Management Systems project. A key component of this program was to develop a Sponsorship and Advertising program to offset operational costs incurred by PennD0T.

In 2019, the Department proposed procuring the services of a team to evaluate the Department's assets to determine which had potential for generating sponsorship revenue. Two teams were selected to fully develop the Sponsorship and Advertising program, and then further explore and identify additional sponsorship and advertising opportunities. These teams, The Superlative Group and 2i Group, are now conducting an evaluation of sponsorship opportunities to present to the P3 Office and PennDOT for consideration.

Various highway safety related programs are currently under consideration and the teams are conducting feasibility analyses to determine best possible sponsorship structures.



## Compressed Natural Gas (CNG) Fueling Stations

#### About the Project

CNG costs less and burns cleaner than conventional gas and diesel, allowing for cost savings and extended vehicle engine life. Trillium CNG, the Development Entity, will supply CNG fueling equipment to 24 transit facilities and up to 750 transit agency vehicles throughout the Commonwealth. Trillium will make CNG-related safety upgrades to existing transit maintenance facilities and will design, build, finance, operate and maintain the CNG fueling stations until 2037.

#### **Project Status**

- Pennsylvania transit agencies have already saved an estimated \$9.5 million to date when compared to the price of diesel fuel
- Project will pay for itself through a combination of fuel cost savings and economies of scale as a result of having one design/ construction team build the 24 fueling stations
- 19 stations completed to date
- Anticipated construction completion in 2024





## Partnership 81 Project

#### About the Project

Approved by the P3 Board in December 2019, the Partnership 81 project aims to address needed safety and mobility improvements along a section of I-81 near the City of Wilkes-Barre, Luzerne County. These improvements include:

- Reconstruction/widening of 7.5 miles of I-81 to three lanes in both directions
- Replacement of poor condition bridges
- Safety and mobility improvements, including elimination of a lefthand exit
- Opportunity to innovate and create efficiencies in scheduling and cost savings

After a review of project delivery alternatives, it was determined that a Design-Build-Finance (DBF) delivery approach would provide the best opportunity to meet PennDOT's goals.



#### **Estimated Procurement Timeline**

- Industry Day Early 2023
- Issue Request for Qualifications (RFQ) Mid 2023
- Shortlisting Mid/Late 2023
- Environmental Clearance Spring 2024
- Design Field View (DFV) Approval Spring 2024
- Final Request for Proposals (RFP) Summer/Fall 2024
- Select Development Entity Spring 2025
- Contract Closings Spring/Summer 2025



## Major Bridge Public-Private Partnership (MBP3)

#### About the Project

In November 2020, the MBP3 was proposed by PennDOT and approved by the Pennsylvania P3 Board, which includes representatives from all four legislative caucuses, to rehabilitate or replace major Interstate bridges. In February 2021, PennDOT announced nine candidate bridge projects across the Commonwealth for inclusion in the program.



PennDOT has entered into a Pre-Development Agreement (PDA) with Bridging Pennsylvania Partners (BPP) to advance preliminary design work. The PDA will lead to separate contracts to finalize design, build, finance, and maintain packages of bridges in the MBP3. PennDOT will repay the amounts financed by the development entity through recurring availability payments over 35 years, beginning when construction is complete.

#### **Project Status**

On September 30, 2021, PennDOT released a draft Request for Proposals (RFP) to the three shortlisted proposers selected from the Request for Qualifications (RFQ) submissions. This commenced the RFP process in which PennDOT solicited proposals from shortlisted proposers seeking to enter into a PDA.

During the RFP period from late September 2021 through the end of December, PennDOT engaged in a series of one-on-one meetings with and requests for clarification from each of the shortlisted proposers to provide them with a better understanding of the MBP3 and gather feedback on the draft RFP documents. Proposals were due from each of the shortlisted proposers by January 19, 2022.

Through the robust evaluation of the proposals, PennDOT determined that the BPP approach aligned more closely with the project goals for delivery of the MBP3. On March 9, 2022, it was announced that BPP was selected as the Apparent Best Value Proposer.

In preparation for the PDA Period, PennDOT developed draft versions of both the Project Agreement and the associated Technical Provisions. In addition, PennDOT submitted a SEP-14 application to FHWA at the end of 2021 which was approved by FHWA on March 9, 2022. Likewise, in anticipation that the Development Entity may wish to use federal programs as part of its private financing, PennDOT worked with the United States Department of Transportation (USDOT) Build America Bureau to facilitate the approval of an allocation of Private Activity Bonds to aid in reducing financing costs for the project.

PDA Procurem	ent Schedule
P3 Board Approves MBP3 Initiative Per Act 88	November 2020
Candidate Bridges Announced	February 2021
Diversion Route Workshops Held	March – September 2021
Draft P3 Request for Proposals Issued	September 2021
Individual Bridge Projects' Public Meetings Held	September – December 2021
Final P3 Request for Proposals Issued	December 2021
P3 Proposal Due	January 2022
BPP Selected as PDA Development Entity	March 2022

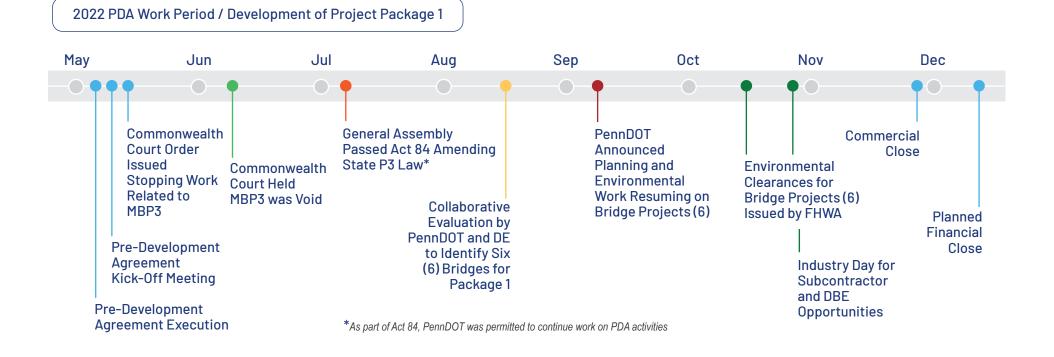


In July 2022, the General Assembly amended the state's Public-Private Partnership (P3) law to remove tolling as a means of funding the Major Bridge P3. As a result, PennDOT developed an alternative funding strategy and continued the PDA with BPP. During the PDA phase, the teams agreed to develop an initial project package of six bridges. The six projects moving forward are:

- <u>I-80 Canoe Creek Bridges;</u>
- I-80 North Fork Bridges;
- I-78 Lenhartsville Bridge;
- I-80 Nescopeck Creek Bridges;
- I-80 over Lehigh River Bridge Project; and
- I-81 Susquehanna Project.

Each of these projects has undergone a National Environmental Policy Act review process that documented how the projects would affect the surrounding community and environment. Categorical Exclusions (CE) or CE Reevaluations for each of these projects have been approved by FHWA. Through the PDA, PennDOT and BPP have partnered to advance preliminary design work. The PDA will lead to separate contracts to finalize design, build, finance, and maintain packages of bridges in the MBP3. PennDOT will repay the amounts financed by the development entity through recurring payments after construction is complete. On November 29, 2022, PennDOT and BPP reached commercial close on the first Project Package for six bridges. PennDOT continues to study and evaluate alternative forms of funding to support Pennsylvania's vast transportation network through its <u>PennDOT Pathways</u> program.

Additionally, in 2021 Governor Tom Wolf established the <u>Transportation Revenue</u> <u>Options Commission</u> (TROC) to develop comprehensive recommendations to ultimately phase out Pennsylvania's gas tax, which has become an unreliable source of funding. TROC submitted a <u>report of recommendations</u> to Governor Wolf in July 2021, which included potential short- and long-term funding solutions. These recommendations currently await further action by the General Assembly.



## Unsolicited Proposals

#### **Future Projects**

The P3 Office accepts Unsolicited Proposals twice each year in pursuit of new innovative opportunities. Additionally, through capital screening efforts the P3 Office is increasing its focus on improvement needs on Pennsylvania's Interstates.

#### **Unsolicited Proposals**

In the past year, the P3 Office received Unsolicited Proposals for evaluation. The table on the following page outlines the proposals under consideration and the proposals that have been dismissed by the P3 Office.



#### **Unsolicited Proposals**

	UP No.	Project Name	Proposed By	Description	P3 Action
	154	PennDOT Solar Initiative	Solar Renewable Energy, LLC	Design and install 5MW solar arrays	Perform High Level Screening
	155	District 4 Northern Tier Counties Bridge Replacements	CDR Maguire	Repair and replace 32 bridges located in PennDOT District 4 having sufficiency ratings below 50	Perform High Level Screening
deration	166	I-76 Managed Lanes	CINTRA	Develop, design and construct a managed lane corridor integrated with existing I-76 from US 202 to I-676	Pre-screening / Candidacy
Under Consideration	167	Electric Vehicle (EV) Charging Infrastructure	Charge Zero PA, LLC	DBFOM to install EV charging stations with supporting solar arrays and batteries to create a statewide infrastructure network	Pre-screening / Candidacy
Und	171	Bus Portal for PA Schools	Busie	Online portal for PA schools to book student/athletic transportation directly with school bus and private motor coach companies	Pre-screening / Candidacy
	172	Commuter Vanpool Program	Enterprise Holdings via Commute	Provide full turnkey van pool program	Pre-screening / Candidacy
	173	Snow Removal Scraper System	Rite-Hite	Install snow removal system at 41 state-owned locations to remove snow from roofs of PennDOT vehicles within 24 hours as mandated by law	Pre-screening / Candidacy
pl	UP No.	Project Name	Proposed By	Description	Reason On Hold
On Hold	138	PennDOT Truck Parking Expansion Program (TPEP)	Truck Specialized Parking Services, Inc.	Use existing PennDOT-owned ROW to relieve truck parking congestion	Need to coordinate with Freight Working Group to identify truck parking strategies

	UP No.	Project Name	Proposed By	Description	Reason for Dismissal
	159	PA Smart Transportation Infrastructure Initiative	Keystone Initiative for Network Based Education and Research (KINBER)	Provide 2 dedicated fiber lines within existing 1,800-mile network and construct last mile connection to each District office	Viability affected by unknown status of KINBER and the proposal's fit within PennDOT's overall strategy for fiber network
	161	Shared Mobility Incentives	Hytch Rewards	Program to engage public support on tolling initiatives from minority and low-income populations	PennDOT would not receive any services directly as a result of a P3 delivery
-	164	Drivewyze PreClear (Weigh Station Bypass) and Other Services	Drivewyze, Inc.	Use electronic logging system to enable real-time evaluation of freight carriers to bypass approaching weigh stations	Proposal does not produce or expand a transportation facility; nor would the proposal benefit from P3 delivery
Dismissed	165	Mobile Trash Compaction	D.C. Lehman Company (Smash My Trash)	Utilize mobile compaction equipment to compact waste within municipal waste containers resulting in fewer hauling trips, reduced emissions and lower fees	Proposal does not meet the definition of a P3 project
	168	Professional Highway Litter and Debris Removal	Interstate Business Solutions, LLC	Proposal does not meet the definition of a P3 project – needs to be paired with an existing or future project	Proposal is similar to UP 165. Appears to be for a service and does not meet requirements of P3 delivery.
	169	P3 Enablement through Maximum Utilization of Existing Fibers or Rural Broadband for ITS Development	Drive Integration LLC / Ciena	Leverage existing fibers owned by PennDOT to free up fiber capacity and build middle-mile broadband network to serve rural and under-served communities	Proposal is similar to UP 159. Viability and candidacy affected by proposal's fit within PennDOT's overall fiber strategy.
	170	Access, Options, and Congestion Relief Through Innovation Program	Carma Technology Corporation	Provide the state with the ability to address congestion, equity, air quality and access by utilizing an app-based program to incentivize travel mode shifts	Proposal is similar to UP 161. Offers benefits but does not result in a PennDOT-owned transportation facility.





## Future P3 Opportunities

The P3 Office is constantly evaluating opportunities that may lend themselves to P3 procurement.





The P3 Office can provide more local private sector opportunities, providing for a safer transportation network and creating a stronger economy.

## **Future Areas of Opportunity**

#### Interstate System

**Purpose:** Identify key projects along interstates that are most likely to benefit from accelerated project delivery or bundling opportunities and utilize private sector funding to complete projects.

#### **Truck Parking**

**Purpose:** Enable underutilized real estate assets along key interstates to relieve truck parking congestion and implement a technology platform to manage parking availability and reservations for commercial vehicles.

#### Electric Vehicle (EV) Charging Stations

**Purpose:** Explore and implement new management practices as PennDOT steadily converts to EV fleets, while preparing the workforce to maintain EV and charging station infrastructure.

#### **Solar Power Generation**

**Purpose:** Work with the Department of General Services (DGS) to analyze opportunities for solar installation along PennDOT right-of-way.

#### **Alternative Funding Strategies**

**Purpose:** Investigate potential strategies that were identified in the Transportation Revenue Options Commission report.

## P3 Office Bulletin

The P3 Office Bulletin is our primary source for communicating the most current updates and PennDOT P3 Office news to our P3 partners.

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Maintaining consistent and up-to-date communication with stakeholders is an essential part of our daily operations. Public and industry input is critical in identifying and addressing PA transportation needs, which is most effective when all involved are properly and consistently informed. E

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#### **For More Information:**

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