

PennDOT Office of Policy and Public-Private Partnerships  
**A REPORT TO PENNSYLVANIA**

FEBRUARY 2014



**P3 Board**

Barry J. Schoch, P.E., Secretary of Transportation, Chairman  
Charles Zogby, Secretary of the Budget  
Nicholas DeBenedictis, President and CEO AquaAmerica  
Ronald J. Drnevich, former Chairman/CEO Gannett Fleming  
Michael S. Murchie, Regional President M&T Bank  
Ryan N. Boyer, Business Manager, Laborers' District Council of Philadelphia & Vicinity  
Hon. Steve Santarsiero, PA House of Representatives

Prepared by:  
PennDOT Office of Policy &  
Public Private Partnerships  
P. O. Box 3545  
Harrisburg, PA 17105

Director, Bryan Kendro  
brkendro@pa.gov  
717-787-8765

# P3 UPDATE

On behalf of the Public-Private Transportation Partnership Board, Governor Tom Corbett and PennDOT's Office of Policy and Public Private Partnerships (P3), I am pleased to provide the following report on our efforts to implement the Commonwealth's P3 statute. Governor Tom Corbett signed Act 88, the Public-Private Partnerships for Transportation act, into law in July 2012, providing the state and other transportation authorities and commissions with a new and innovative tool for improving transportation assets and services. The Act allows PennDOT and other transportation authorities and commissions to partner with private companies to participate in delivering, maintaining and financing transportation-related projects.

Our office and the Public-Private Transportation Partnership Board (P3 Board) have made significant progress in establishing a program that continues to attract private sector interest from firms based here in Pennsylvania, across the nation and around the world. This level of interest reflects the opportunities that our board has advanced and confidence in our P3 program.

The range of projects that have been approved by the Public-Private Transportation Partnership Board and the initiatives we continue to pursue reflect the broad range of opportunities available to our Commonwealth and the flexible nature of our enabling statute.

Under the statute, the P3 Office has the authority to invite the private sector to participate in potential partnerships. In addition, the statute also allows private entities to submit Unsolicited Proposals for all transportation modes twice per year.

In January 2012, the P3 Board approved Implementation Manual & Guidelines for all P3 projects to ensure transparency and consistency in our review process. These guidelines apply to both solicited and unsolicited Transportation Projects and outline specific steps and recommendations for Private Entities that wish to submit a P3 proposal for consideration. These recommendations are designed to encourage a collaborative and open process for potential partners. These guidelines also require that all projects considered by the P3 Board are discussed in a public meeting and all meeting materials are made available on our website, [www.P3forPA.pa.gov](http://www.P3forPA.pa.gov).

The P3 Board and our office will continue working with the private sector, transportation entities across the Commonwealth, members of the General Assembly and all stakeholders to pursue opportunities that will deliver value to our Commonwealth and our citizens.

Additional information on our on-going P3 projects; our meetings; and our review process is readily available on our website. Please do not hesitate to contact our office directly with any questions.

Bryan Kendro  
Director  
PennDOT Office of Policy  
& Public Private Partnerships

# P3 BACKGROUND

## A P3 Project:

- Transfers the responsibility of a facility's engineering, construction, operation and/or maintenance to the private sector for a defined period of time;
- Allows the private sector to perform by contract a service previously provided by the public sector; and
- Ensures the private firm receives payments either from existing revenue sources or through the collection of new tolls or user fees.

Pennsylvania's P3 Office pursues two broad categories of projects; those that add capacity to our transportation system or projects that improve capacity or performance of our current system. If the board determines a state operation or project would be more cost-effectively administered or delivered by a private company, the department or appropriate transportation agency can advertise a competitive RFP and enter into a contract with a company to completely or partially deliver the transportation-related service or project.

## P3 TIMELINE

### July 2012

Governor Corbett signs Act 88, the Public-Private Partnerships for Transportation Act into law.

### September 2012

Governor Corbett officially names the first members of the P3 Board.

### October 2012

PennDOT Secretary and P3 Board Chairman Barry J. Schoch, P.E., convenes the first P3 Board meeting.

### January 2013

The P3 Board approves Implementation Manual & Guidelines for all P3 projects. The 511 Traveler Information and Traffic Management Systems Project becomes the first P3 initiative approved by the board.

# P3 BOARD

The statute established the seven-member Public Private Transportation Partnership Board, consisting of the Secretary of Transportation, the Secretary of Budget, a Governor's Appointee, and four Legislative Appointees, one member from each legislative caucus. The Secretary of Transportation serves as the Chairman of the P3 Board. Current P3 Board members are:

- Barry J. Schoch, P.E., Secretary of Transportation, Chairman
- Charles Zogby, Secretary of the Budget
- Nicholas DeBenedictis, President and CEO AquaAmerica
- Ronald J. Drnevich, former Chairman/CEO Gannett Fleming
- Michael S. Murchie, Regional President M&T Bank

- Ryan N. Boyer, Business Manager, Laborers' District Council of Philadelphia & Vicinity
- Hon. Steve Santarsiero, PA House of Representatives

### The board's responsibilities include:

- Establishing the procedure for public and private entities to submit requests for transportation projects;
- Receiving solicited and unsolicited proposals for public-private partnership (P3) projects; and
- Reviewing and approving proposed P3 projects submitted by Commonwealth agencies, municipal authorities, and private entities.

# P3 PIPELINE

## PROJECTS APPROVED BY THE P3 BOARD

### The Rapid Bridge Replacement Project

**Board Action:** Approved September 2013

**Procurement Status:** In February 2014, five teams submitted statements of qualification for this initiative. PennDOT expects to select a preferred proposal in fall of 2014. Construction anticipated to begin in summer 2015.

**Benefit to the Commonwealth:** The Rapid Bridge Replacement Project will bolster PennDOT's on-going effort to address the state's nearly 4,200 Structurally Deficient (SD) bridges. The Rapid Bridge Replacement project will replace at least 550-650 Structurally Deficient bridges across Pennsylvania.

PennDOT expects most of the bridge construction work to be performed by Pennsylvania contractors using local labor forces.

Using the P3 approach, PennDOT can replace hundreds of these bridges more quickly; save money; and minimize the impact on the traveling public. PennDOT will make performance-based payments for the work at yet-to-be-established milestones.



### Sponsorship and Advertising Program

**Board Action:** Approved January 2013

**Procurement Status:** Contract Awarded December 2013

**Private Partner:** Travelers Marketing

**Benefit to the Commonwealth:** Travelers will manage a sponsorship and advertising program that will raise revenue and help to offset costs of important public programs and services such as freeway service patrols, rest areas and welcome centers. Travelers will be compensated through a success fee only

contract after program is operational. As part of the partnership, Travelers guarantees a minimum of \$4 million dollars in revenue over the next five years.



### 511 Traffic and Traveler Information

**Board Action:** Approved January 2013

**Procurement Status:** Contract Awarded

**Private Partner:** Information Logistics

**Benefit to the Commonwealth:** Information Logistics will develop, operate and maintain the next generation 511 System for PennDOT which will provide motorists with added functionality and safety benefits, including traffic flow maps and hands free, eyes free

notifications for smart phone users. PennDOT's savings are estimated at \$1.2 million for the first year of operation and \$1.5 million per year for each year thereafter, when compared to the continuance of the previous system.



# PROJECTS APPROVED BY THE P3 BOARD (CONT.)

## Wireless Telecom Partnership

**Board Action:** Approved September 2013

**Procurement Status:** A Request for Qualifications (RFQ) will be issued in spring 2014.

**Benefit to the Commonwealth:** The Commonwealth would receive revenue from telecommunication companies leasing space on existing PennDOT assets. In addition,

more robust wireless coverage would improve emergency response efforts and would bolster PennDOT's Intelligent Transportation Systems network.



## Truck Permitting and Routing System

**Board Action:** Approved September 2013

**Procurement Status:** The P3 Office anticipates issuing an RFP in spring 2014.

**Benefit to the Commonwealth:** The goal is to procure a new Automated Permit Routing Analysis System (APRAS) to manage application processing, route generation, route

review and permit issuance of special hauling permits. This initiative will reduce PennDOT costs and improve overall performance for our business partners.



# PROJECTS IN DEVELOPMENT

## Amtrak Keystone Line Train Station Development

Under this P3 initiative, PennDOT's private-sector partners would provide better access to parking at these stations as well as other upgrades and improvements. Our partners will have an opportunity to pursue commercial development opportunities at or adjacent to the stations. Revenue generated from the parking and other activities would help reduce

PennDOT's subsidy of the line. The P3 Office issued a Request for Information (RFI) on Feb. 21, 2014 for this project.



# PROJECTS UNDER EVALUATION

## Smart Truck Parking

The P3 Office is evaluating a project to provide truck drivers with parking availability in advance of rest areas, welcome centers, and truck stops. The goal is to reduce safety hazards caused by trucks parked alongside highway on and off ramps, especially during severe weather. The P3 Office is

working with PennDOT's Highway Administration and Office Services to issue an RFI.



## Wireless Waterways

The P3 Office is assisting the Port of Pittsburgh Commission in the evaluation of P3 opportunities to leverage and expand its wireless broadband network. The goal is to better facilitate and manage the movement of

goods in and out of the port; to advance economic development; to deliver internet access to barges and crew members; and to encourage support to better fund the aging systems of locks and dams along the rivers.

# PROJECTS UNDER EVALUATION (CONT.)

## Capital Area Transit Bus Maintenance Facility

A potential private partner has proposed a P3 with Capital Area Transit (CAT) to finance, build and maintain a new maintenance facility for the Harrisburg-based transit agency. CAT would

lease the facility from the private developer. The RFI for this project is expected to be released the week of Feb. 24, 2014.

## Light Emitting Diode (LED) Retrofit Project

The P3 Office received an unsolicited proposal from Lewis Strategic Consultants for an LED lighting retrofit project at the I-81 Summerdale Interchange. An evaluation by PennDOT concluded that the concept would be better

suited as a pilot project through conventional procurement at a different location. If the pilot project would prove successful, PennDOT would then consider a similar approach on a larger scale as a public-private partnership.

## SUMMARY

### APPROVED PROJECTS

- **Rapid Bridge Replacement** September 2013....Will bolster PennDOT's ongoing effort to address the state's structurally deficient bridges
- **Sponsorship/Advertising Program** January 2013 .....Private partner will manage sponsorship/advertising program that will help offset costs of important public programs (freeway service patrols, rest areas, welcome centers, etc.)
- **511 Traffic/Traveler Info** January 2013 .....Develop next generation 511 that will provide motorists with added functionality and safety benefits
- **Wireless Telecom Partnership** September 2013....Additional revenue from leasing space on existing PennDOT facilities would be used to bolster PennDOT's Intelligent Transportation Systems Network
- **Truck Permitting/Routing System** September 2013....Procure a new Automated Permit Routing Analysis System (APRAS)

### PROJECTS IN DEVELOPMENT

- **Smart Truck Parking** .....Provide truck drivers with parking availability in advance of rest areas, welcome centers and truck stops. This would reduce safety hazards caused by trucks parked along the highway on off/on ramps, especially during severe weather.
- **Amtrack Keystone Line Train Stations** .....Private partners would provide better access to parking at stations as well as other upgrades and improvements.

### PROJECTS UNDER EVALUATION

- **Wireless Waterways** .....The goal is to facilitate the movement of goods in and out of port, and to encourage support to fund aging systems of locks and dams along the states rivers.
- **Capital Area Transit Bus Maintenance Facility** .....Private partner would finance, build and maintain a new maintenance facility for Capital Area Transit
- **Light Emitting Diode (LED) Retrofit Project** .....Evaluation by PennDOT concluded concept would be better suited as a pilot project through conventional procurement at a different location.

### PROJECTS DEFERRED

(Lacked necessary research to demonstrate feasibility or needed more specific details.)

- **Bridges That Pay For Themselves**
- **Greater Pittsburgh Area Railway**