Rapid Bridge Replacement Project: Frequently Asked Questions – Updated (November 2015)

What is the Rapid Bridge Replacement (RBR) project?

This Public-Private Partnership (P3) is designed to bolster PennDOT's ongoing effort to address the state's nearly 4,200 Structurally Deficient (SD) bridges. With the P3 approach, PennDOT will replace 558 SD bridges around the state more quickly; achieve significant savings for taxpayers; and minimize the impact on the traveling public. The initiative was approved by the Public-Private Transportation Partnership Board in September 2013. In October 2014, Plenary Walsh Keystone Partners was selected as PennDOT's private partner.

Plenary Walsh and its team of at least 11 Pennsylvania-based subcontractors will manage the bridges' design, construction and maintenance for 25 years after construction is complete under the P3 contract. Construction has begun during the summer of 2015 and all 558 bridges must be replaced within 36 months. PennDOT will maintain ownership of the bridges throughout the contract.

Why is PennDOT focused on SD bridges?

Pennsylvania confronts a significant and somewhat unique challenge among the 50 states: roughly 18 percent of Pennsylvania's bridges are structurally deficient while the national average is 7.3 percent. Unless replaced, these bridges will ultimately have to be closed, jeopardizing public safety and harming the state's ability to grow economically and create jobs. An SD bridge is not unsafe. The designation means that one or more of its major component is deteriorating. PennDOT has been aggressively addressing this problem, reducing the total number of SD bridges from 6,000 to roughly 4,200. The RBR will allow PennDOT to intensify this effort.

Why use the P3 approach?

The P3 law was enacted by the PA General Assembly and signed by Governor Tom Corbett in 2012, providing PennDOT with another tool to address the state's infrastructure needs, including the challenge of replacing SD bridges. The P3 approach will allow PennDOT to replace SD bridges more quickly and minimize impact on the traveling public.

How did PennDOT identify the eligible bridges for this initiative?

More than 2,000 SD bridges were screened by PennDOT prior to issuance of the final Request for Proposals. A host of factors were considered, including age, length, number of lanes, and average daily traffic, as well as impact on utilities, railroads, and a wide range of potential environmental impacts. All of the bridges are relatively small – many only single-span, two-lane structures – of similar characteristics.

What are "early completion bridges" and how were they chosen?

The department selected batches of bridges in two regions of the state to advance in preparation for construction in 2015. PennDOT secured right of way and permitting approvals for those bridges to help accelerate the project and ensure the replacement of bridges began quickly after awarding the contract.

Will Pennsylvania-based contractors and design engineers have an opportunity to participate in this initiative?

Yes. The Plenary Walsh Keystone Partners team is comprised of the Plenary Group, the Walsh Group, Granite Construction Company and HDR Engineering. Walsh and HDR maintain offices in Pennsylvania. Because of the scope of the project, there will be ample opportunities to bid on bridge projects through the initiative's duration.

In addition, the team includes 11 Pennsylvania-based subcontractors. These firms are: A.D. Marble & Company of Conshohocken, Montgomery County; M.A. Beech Corporation of Carnegie, Allegheny County; Carmen Paliotta Contracting of South Park Township, Allegheny County; Clearwater Construction Inc. of Mercer, Mercer County; Francis J. Palo Inc. of Clarion, Clarion County; Glenn O. Hawbaker Inc. of State College, Centre County; J.D. Eckman, Inc. of Atglen, Chester County; J.F. Shea Construction Inc. of Mount Pleasant, Westmoreland County; Larson Design Group of Williamsport, Lycoming County; Swank Construction Co. of New Kensington, Westmoreland County; and TRC Engineers, Inc. of Export, Westmoreland County.

The P3 will free up dollars immediately and over the long haul for additional traditional projects. This will help local contractors.

Does PennDOT plan on diverting funds from its annual program and standard procurement opportunities to this P3?

The goal of this P3 is to expedite replacement of the state's more than 4,000 structurally deficient bridges – not to sacrifice our on-going program to maintain and rebuild our highways and bridges. While the funding for this initiative will come from PennDOT's current and future revenue streams, the total investment is not likely to exceed 5 percent of our annual investment in road and bridge projects. Any savings that PennDOT will create as a result of this P3 will be reinvested in our annual program, creating more opportunities for Pennsylvania-based businesses and Pennsylvania workers.

Does PennDOT plan on utilizing the P3 for all future bridge projects?

This project includes 558 of the roughly 4,000 structurally deficient bridges in Pennsylvania that are in need of replacement or repair. A majority of those projects will be procured as traditional design, bid, build projects contractors are accustomed to. The bridges selected as eligible for the project have similar characteristics; most importantly they are relatively small and can be designed and constructed to standard sizes. The similarity of the bridges allows for streamlined design, prefabrication (mass production) of standardized components such as beams, and the replacements can be done relatively quickly. All of these factors make bundling the projects as one P3 contract the most efficient and cost effective way to deliver these bridge projects.

Is PennDOT privatizing hundreds of commonwealth-owned bridges?

PennDOT will continue to own all of the bridges included in the project. The department is contracting the design, construction and lifecycle maintenance responsibilities for 25 years. The Plenary Walsh Keystone Partners team will be responsible for any failures or defects that might occur during the term of the contract in addition to expected maintenance, similar to an extended warranty.

Is PennDOT outsourcing the maintenance of the bridges included in the project?

PennDOT personnel will continue to perform operations and routine maintenance on the bridges, for example snow plowing, debris removal, mowing, etc. If properly designed and constructed, a bridge should not require significant maintenance during the first 25-35 years, but the contract serves as a warranty to ensure the bridges are constructed to achieve the lowest lifecycle cost of ownership.

Will the private developer/contractor be able to build a bridge to last 25 years and then turn it over to PennDOT in poor condition?

The contract will require the bridge maintain a prescribed level of performance and condition throughout the 25-year maintenance term and will also require it be handed back to the department in a predetermined condition which will guarantee its continued performance once PennDOT becomes responsible again for maintaining it.

Some of the bridges will be constructed in weeks – why will it occur faster than most PennDOT bridge projects?

The bridges in this project will be constructed quickly because of standardized designs and the ability to prefabricate many of the bridge components off site, which reduces construction time in the field.

After construction of the new bridges who will be responsible for conducting biennial maintenance inspection? The team will be responsible for the National Bridge Inspection Services (NBIS) Inspection during the maintenance period of the contract. PennDOT will audit the inspections.

Is the Rapid Bridge Replacement Project a prevailing wage project?

This is a federally-funded project and is therefore subject to the federal prevailing wage law known as Davis Bacon Act, not state Prevailing Wages.

How will the team be compensated?

PennDOT will make periodic, performance-based payments in return for the development and ongoing maintenance of the bridges included in the project. The performance-based payments would start after substantial completion of the bridges, which provide an incentive for early completion. There are no tolls in this initiative.

How was the winning team selected?

The Plenary Walsh team was selected following a lengthy procurement process that attracted potential partners from across the state and around the world. Plenary Walsh was one of four teams that were invited to submit proposals for this initiative. PennDOT selected the winning team based on scoring that considered cost, financial capability to carry out the project, background and experience in managing comparable projects, and understanding of the project.

How long will the contract last?

The contract will have a term of 28 years which includes construction and 25-year term for maintenance for each bridge.

How will the project be financed and isn't private funding more expensive than traditional public financing that is typically used?

PennDOT has secured the authority to issue up to \$1.2 billion in Private Activity Bonds (PABs) from the U.S. Department of Transportation. These tax-exempt bonds, which are less expensive than traditional financing options available to private firms, will account for the majority of the total capital costs at a low borrowing cost. This is consistent with other P3 projects in other states.

Will PennDOT alert residents when a bridge - or bridges - will be replaced in their area?

Yes. Visit <u>www.PARapidBridges.com</u> to sign up for routine updates and notices regarding public meetings on specific replacements.