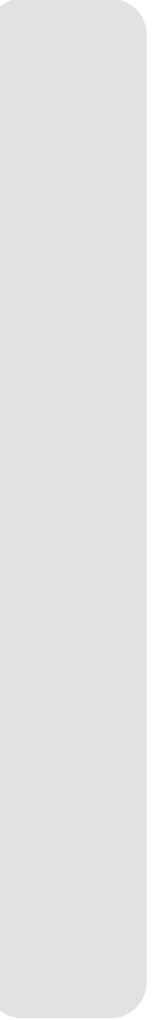


Public-Private Transportation Partnership Board Meeting

JUNE 16, 2021

Agenda

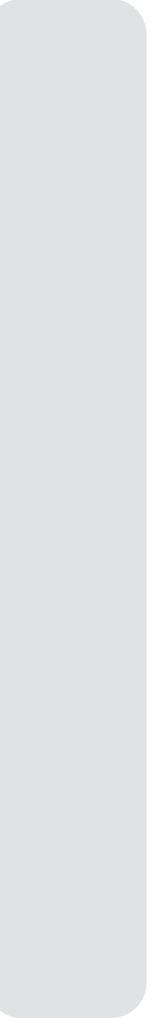
- Call to Order
- Roll Call
- Adoption of 11.12.20 Meeting Minutes
- Chair's Remarks
- New Business
- Project Updates
- Other Business
- Public Comments
- Adjournment



In Memoriam



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



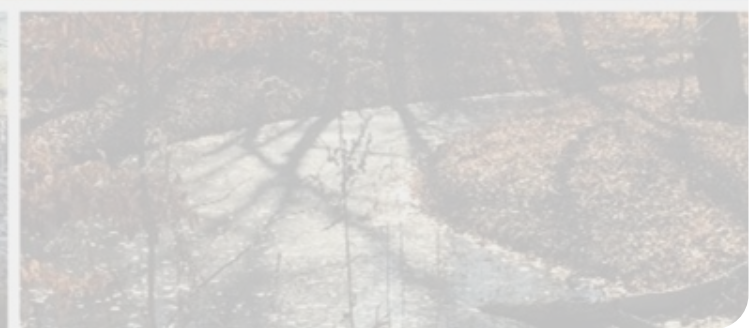
Agenda

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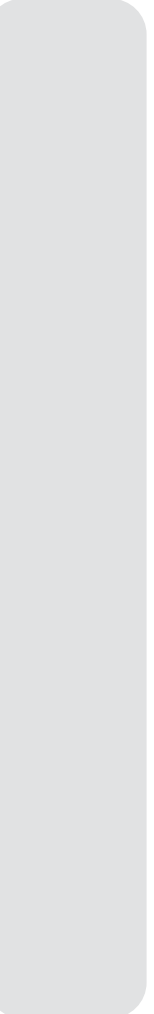
New Business





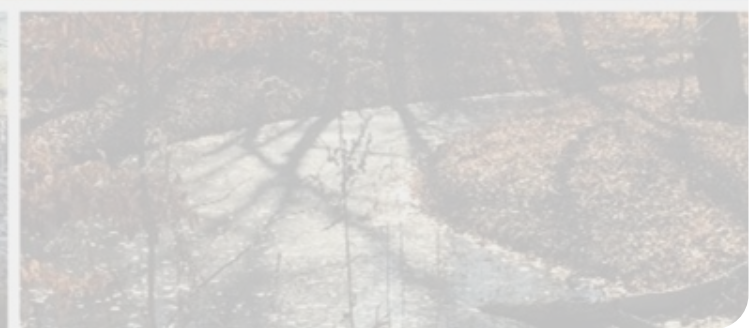
P3 Report for **PENNSYLVANIA**

PRESENTED BY THE PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIP (P3) BOARD

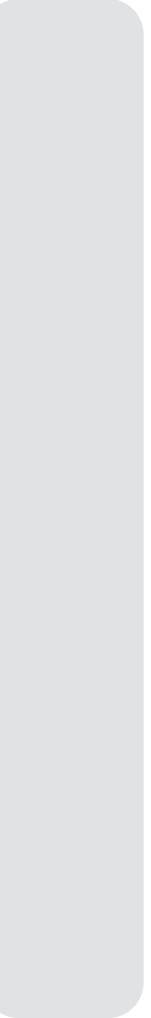




Project Updates



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



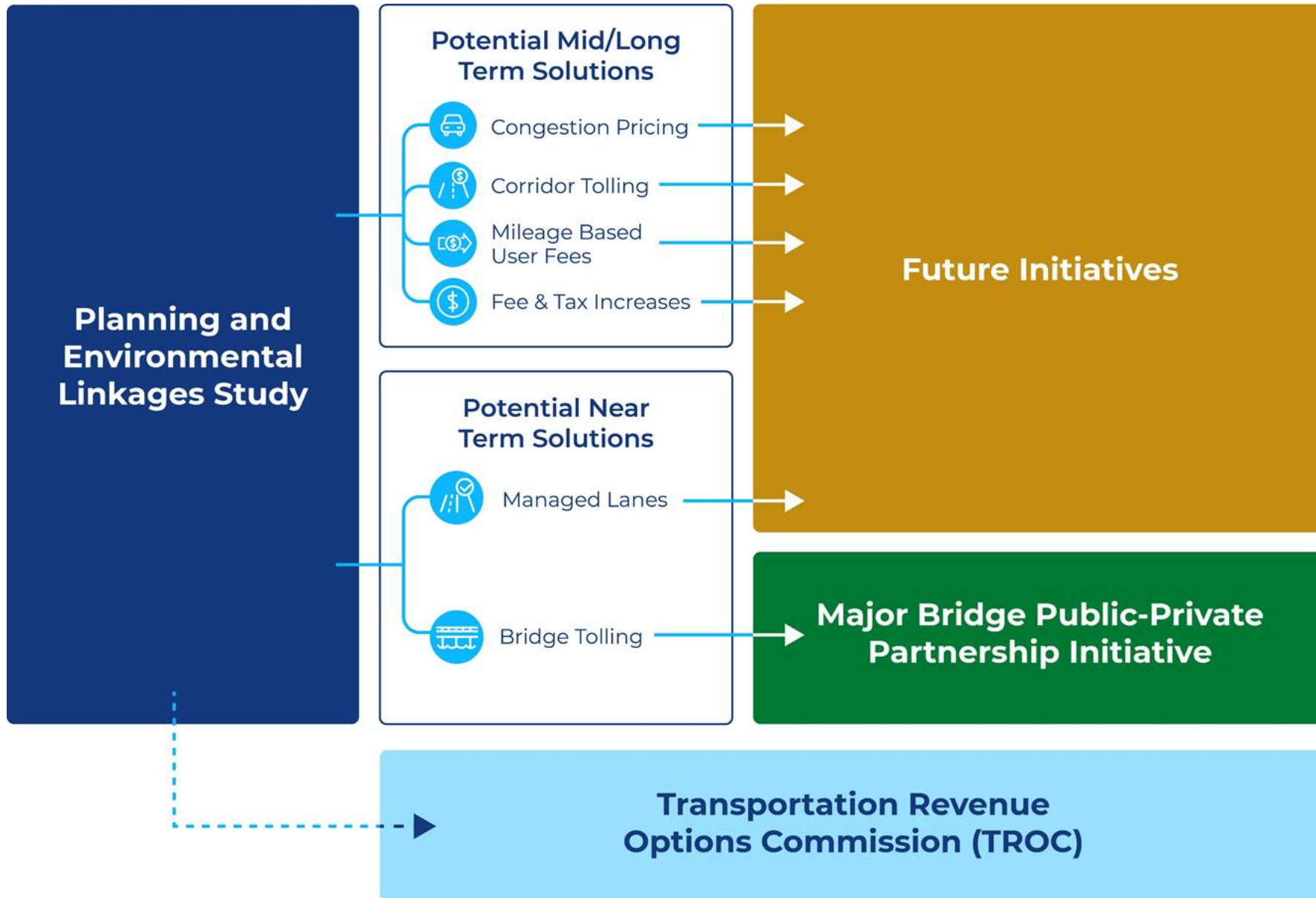
Changes in Travel Patterns (COVID-19)

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

PennDOT's Major Bridge P3 Goals



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 Nescopeck
- 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



40+

Community and Industry
Group Presentations

by the Secretary, Executive
and Program Staff

As of 06/2021



4,775
Comments Received



9 Media Briefings



1,194
Local / Regional
Stakeholder
Updates



50+ Media
Interviews



35+
FAQs Answered
and Growing

All metrics as of November 2020 unless otherwise indicated

Outreach & Engagement



5

Monthly e-Newsletters
issued since December



137,506
Website Pageviews



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.



5,241 Email News Alerts /
Notifications

to legislators, stakeholders, the media and the public

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

Major Bridge Project at a Glance



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

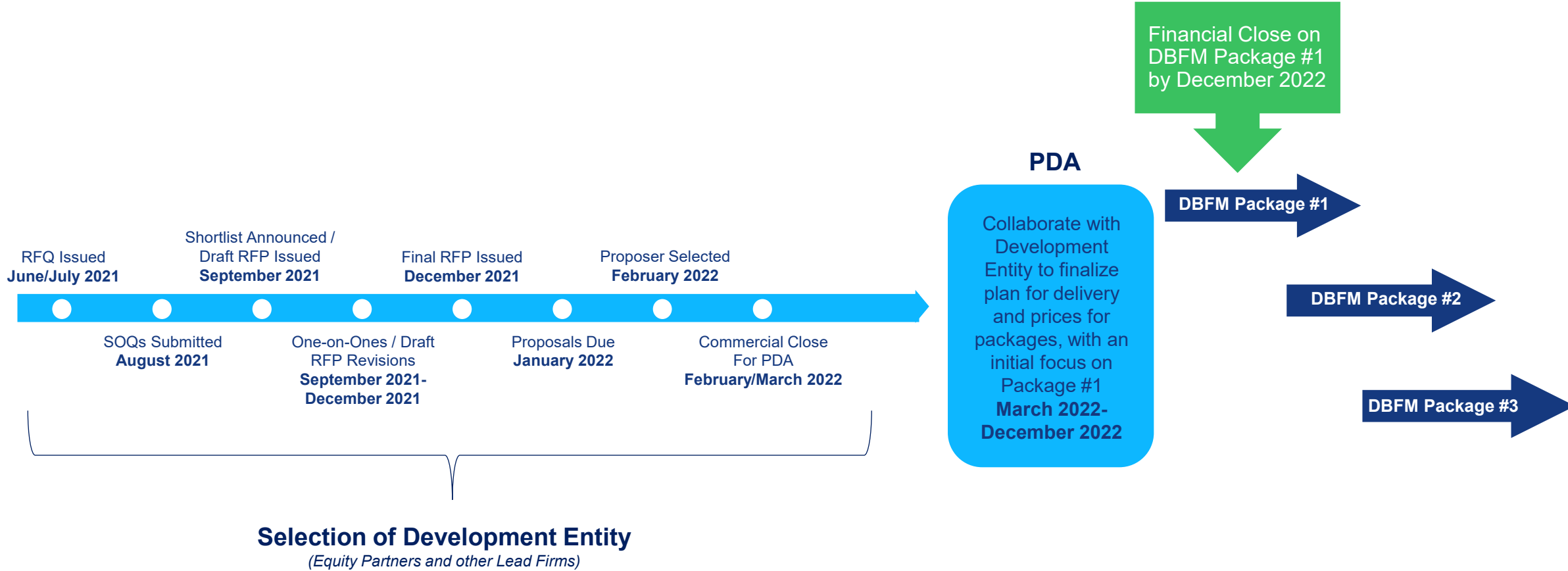
III

- 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



*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



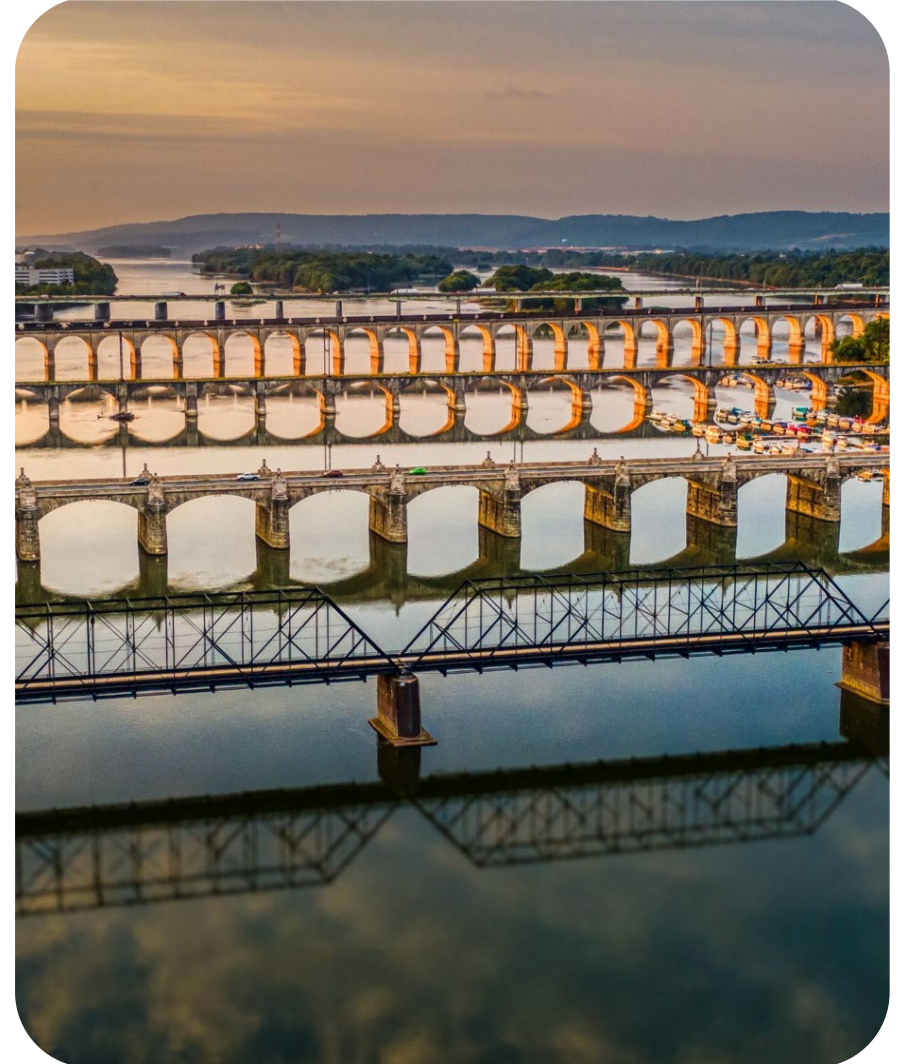
Conclusion

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

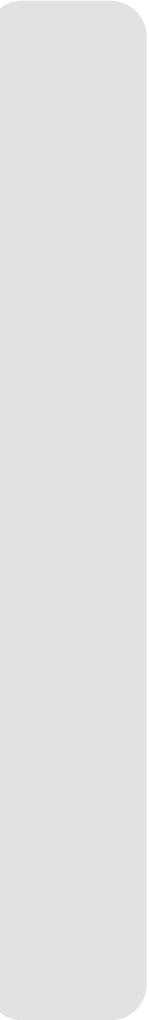
Deliver a program that is financially solvent, through the implementation of user fees, without the need for outside subsidies

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

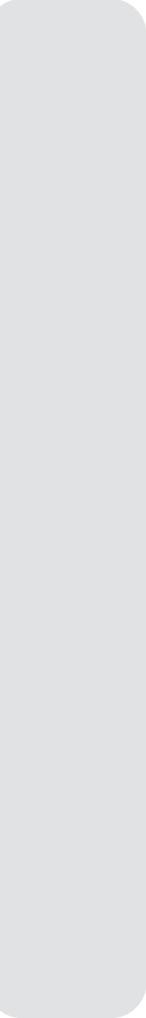


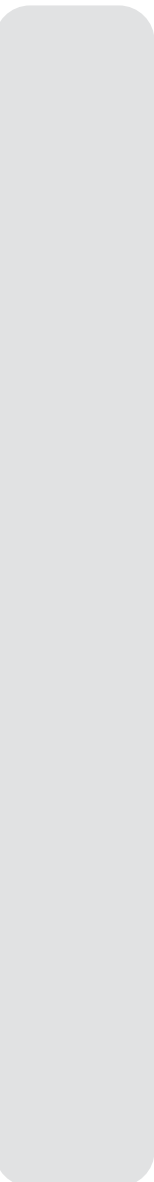
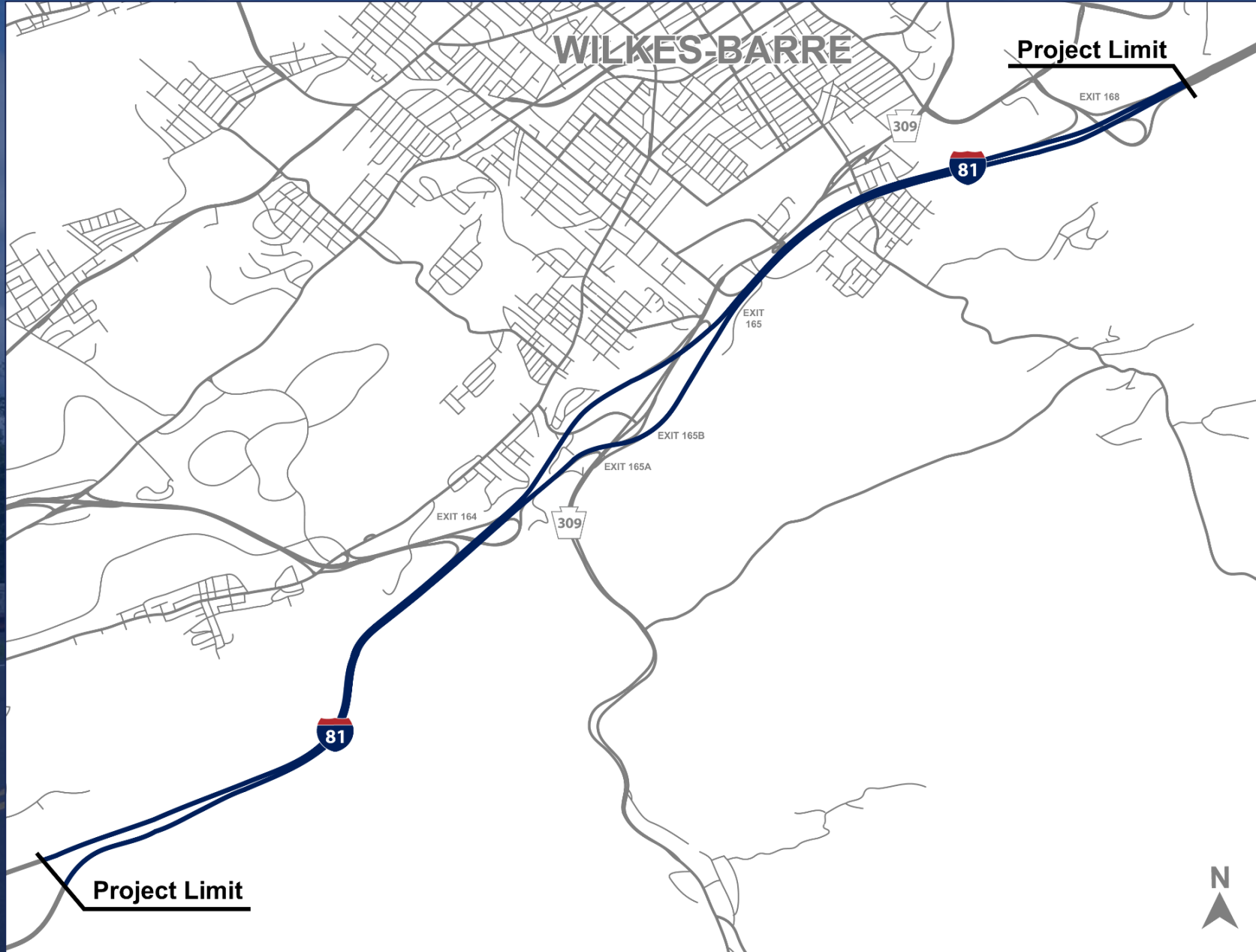
Project Purpose

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



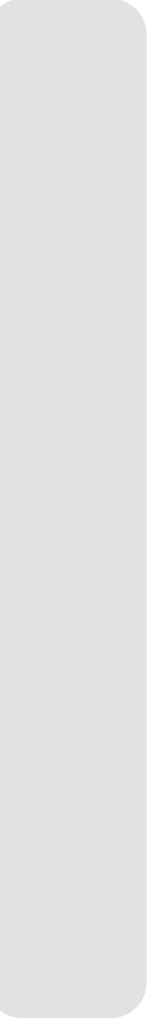
Preliminary Engineering

- 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

- Industry Day (Aug. 2021)
- Issue RFQ (Sep. 2021)
- Shortlisting (Feb. 2022)
- NEPA Clearance (June 2022)
- Final RFP (June 2022)
- Contract Closings (Dec. 2022 / Feb. 2023)

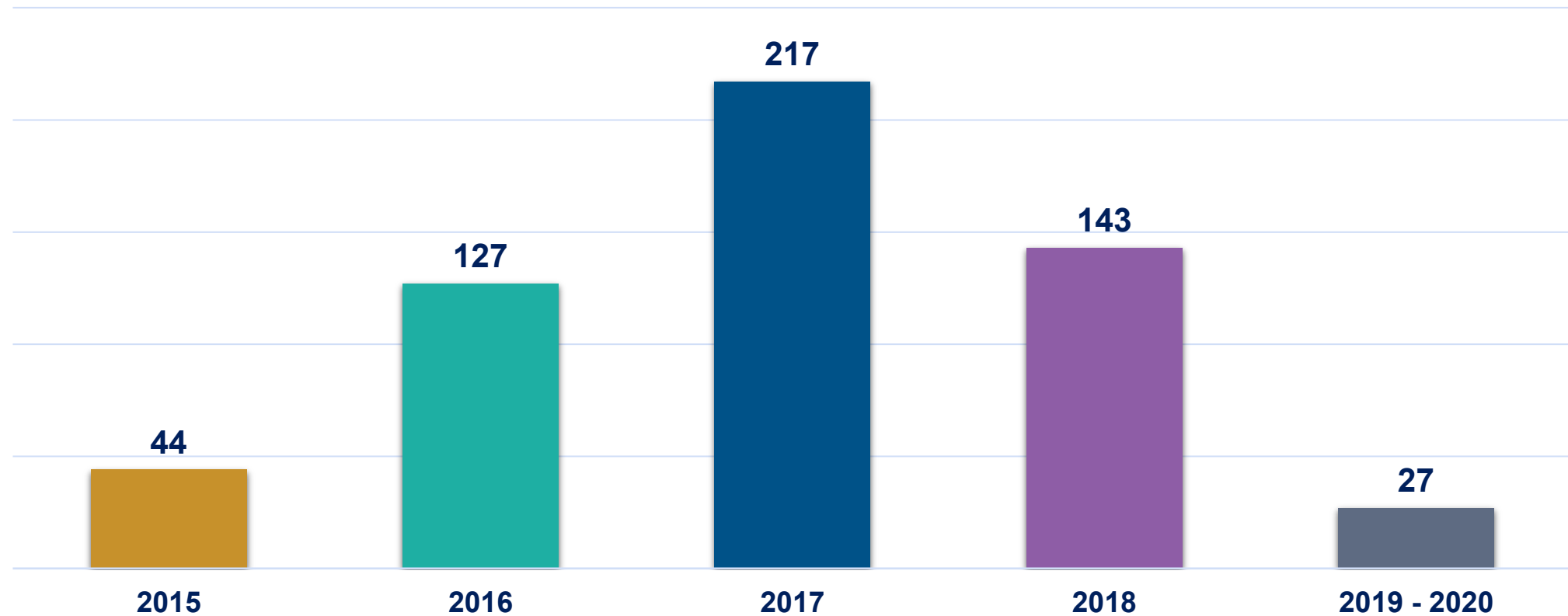
Rapid Bridge Replacement (RBR) Project



RBR Project Status



RBR Bridges Constructed by Year



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)

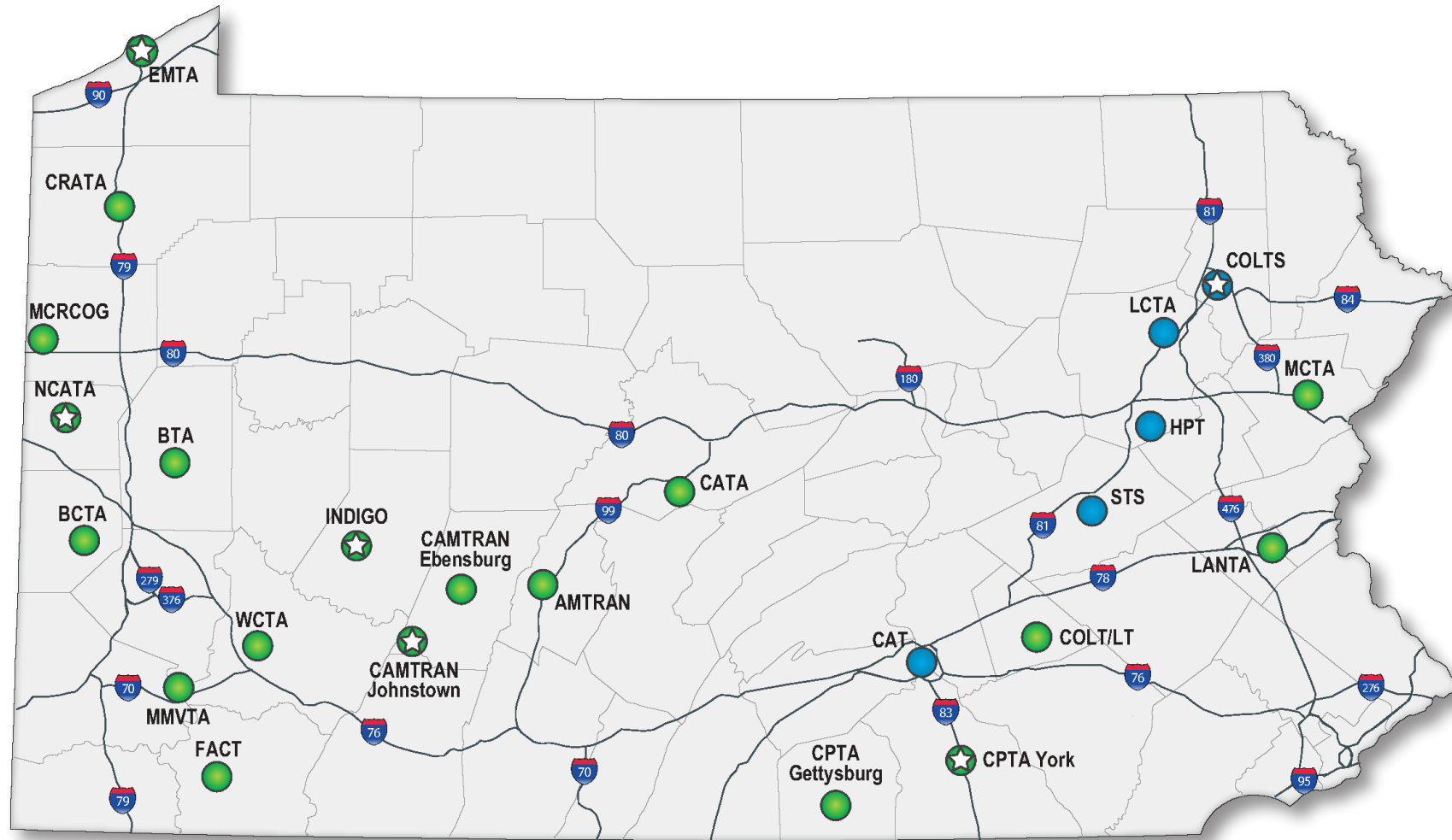
- User's guide to assist with understanding contractual requirements and responsibilities
- Includes helpful information, guides and references to program-related links for contractual documents, Department policies and procedures and more.



Compressed Natural Gas (CNG) Fueling Stations



CNG Transit Fueling Stations



As of June 2021

● Completed | ● Planned Construction (2022-2024) | ☆ Public Access

PennDOT Sponsorship and Advertising Program



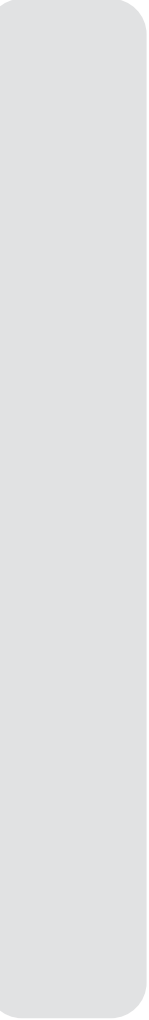
Benefits

- 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

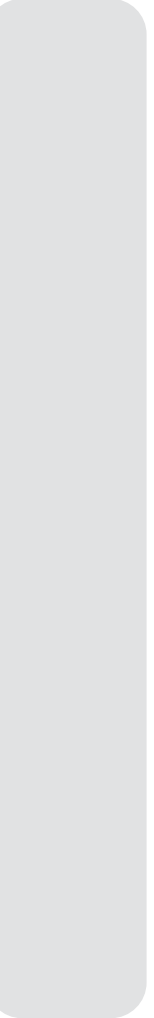
Status

- 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

Northampton County Bridge Renewal Program



Unsolicited Proposals Update



Unsolicited Proposals – Under Consideration

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

* April 2021 Submission

Unsolicited Proposals – On Hold

Project Name	Proposed By	P3 Action
Environmental Solutions P3	Resource Environmental Solutions	On Hold
PennDOT Truck Parking Expansion Program	Truck Specialized Parking Services, Inc.	On Hold
PennDOT Solar Initiative	Solar Renewable Energy, LLC	On Hold

Unsolicited Proposals – Dismissed

Project Name	Proposed By	P3 Action
Commercial Truck Parking / Private Truck Parking	JJGD, LLC	Dismissed
Mercer County Bridge Bundling Project	CDR Maguire / Brayman Construction JV	Dismissed
SMOG Sequestering Billboard Environmental Conditions Test	Kegerreis Outdoor Advertising LLC	Dismissed
Self Serve Vehicle Registration Renewal Kiosks	Livewire Digital	Dismissed
PA Rapid Stormwater Replacement	Abel Recon / Rettew Associates	Dismissed
EZ Adz Safe Road Awareness Marketing and Advertising	BuzyBeez Safe Road Awareness Marketing	Dismissed
Keeping Pennsylvania Moving *	Cessna Comminucations LLC	Dismissed

* April 2021 Submission

P3 Board Meeting

Other Business

Public Comments

Adjournment

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

