

PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIP BOARD
SUMMARY MINUTES
HARRISBURG, PENNSYLVANIA
DECEMBER 9, 2021

CALL TO ORDER:

The nineteenth meeting of the Public-Private Transportation Partnership Board (Board) was convened by Secretary of Transportation Yassmin Gramian, at 1:04 p.m. on Thursday, December 9, 2021, via Microsoft Teams virtual meeting.

ROLL CALL:

P3 Office Director Michael Bonini called roll and noted that all seven Board members were present, and as such a quorum was established.

Members Present:

Honorable Yassmin Gramian
Honorable Representative Michael Carroll
Mr. Geoffrey Clarke
Mr. Gregory Davis
Mr. Ronald Drnevich
Honorable Tim Murphy
Mr. Mark Ryan (designated alternate to Mr. Gregory Thall)

ADOPTION OF MEETING MINUTES:

The June 16, 2021, meeting minutes were unanimously approved on a motion by Mr. Ronald Drnevich and seconded by Honorable Michael Carroll.

CHAIR'S REMARKS:

Secretary of Transportation Yassmin Gramian welcomed everyone to the virtual Board meeting and began by introducing a new Board member; Pennsylvania Secretary of the Budget Greg Thall, replacing Jen Swails, who retired during the summer. Mr. Mark Ryan was present as Mr. Thall's alternate. Secretary Gramian expressed gratitude for the efforts and support of Jen Swails over the years as a Board member.

Secretary Gramian noted that the Board has consulted attorneys and held executive sessions regarding Pennsylvania Senate Bill 382, but this topic would not be discussed during the present Board meeting. The only action item on the agenda would be the approval of the June 16, 2021, meeting minutes; with the remainder of the agenda comprising of updates on approved projects as well as Unsolicited Proposals.

Secretary Gramian provided an update on the Infrastructure Investment and Jobs Act (IIJA), which is expected to bring \$4 billion in new federal highway and bridge funds to Pennsylvania. With federal funds requiring a 20% state match, Pennsylvania would need \$1 billion in state funds in order to leverage the funding. Additionally, the IIJA

includes many grant programs and statutory changes with the potential to impact how PennDOT approaches infrastructure investments. Secretary Gramian emphasized the importance of connections between places and people, specifically in the form of funding programs to create opportunities in a vast number of areas, as well as build critical networks that enable information, commerce, and ideas to flow rapidly and freely for all.

Secretary Gramian also applauded legislators for passing Act 88 in 2012, noting that the unsolicited proposals received by the P3 Office consistently present a pipeline of opportunities to evaluate for P3 implementation.

PROJECT UPDATES:

Secretary Gramian then turned the floor over to PennDOT P3 Office Director Michael Bonini, who noted that the Board meeting book and PowerPoint presentation will be made available to the public on the P3 website after the meeting. Mr. Bonini added that the agenda will begin with updates on the nine Unsolicited Proposals currently being examined and/or considered by PennDOT and the P3 Office.

UNSOLICITED PROPOSALS UPDATE: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini explained that the P3 Office accepts Unsolicited Proposals twice each year in pursuit of new, innovative opportunities. He displayed three data tables which placed the current Unsolicited Proposals into three categories: Under Consideration, On Hold and Dismissed.

The Under Consideration table encompasses items on which the Department is conducting feasibility analyses to determine merit in pursuing as a public-private partnership; six proposals fall under this categorization.

The PennDOT Solar Initiative is a design, build, finance, operate and maintain (DBFOM) proposal to design and install solar solutions within PennDOT right-of-way, with locations determined jointly to maximize benefits. The proposing firm, Solar Renewable Energy, LLC, identified significant financial value specific to electricity costs, tax credits and a renewable energy certificate. In the time since the proposal was received, the P3 Office has met with appropriate PennDOT staff and the proposer multiple times. Next steps include conducting a detailed screening analysis to share with the GreenGov Council to determine a path forward and examine P3 feasibility.

The District 4 Northern Tier Counties Bridge Replacements project, submitted by CDR Maguire, is a design, build, finance (DBF) proposal to replace/reconstruct 32 poor condition, PennDOT-owned bridges located in Northern Tier counties in Engineering District 4-0. At the time of the meeting, the P3 Office had performed an initial screening of the proposal to remove 20 of the bridges from a poor rating and post the remaining 12 to full service, an initiative in which District 4 is interested. A detailed-level screening analysis is being performed to identify funding that could be used to pay back the development entity (DE) if approved by the Board.

Shared Mobility Incentives, submitted by Hytch Rewards, a ride sharing application that offers those of economic impact a ride to and from work with incentives to driver and rider. The concept is to use in partnership with the Major Bridge P3 in order help those that would potentially be economically impacted by the possibility of user fees. The P3 Office is in the process of working with the proposer to identify further information needed to conduct a high-level screening to examine opportunities and feasibility. Mr. Bonini noted that since the proposal does not involve creating or improving a transportation facility (as required by P3 legislation) there remain further details to coordinate with the proposer.

Drivewyze PreClear (Weigh Station Bypass) and Other Services, proposed by Drivewyze, aims to use their PreClear product in conjunction with freight cameras for submitting requests for trucks to bypass weigh stations. This would be implemented with the existing electronic logging devices that are implemented at weigh station bypasses on PennDOT highways, at no cost to the Department. Mr. Bonini noted that the P3 Office has not received any financial information yet and will meet with the proposer to further discuss the funding details and overall vision.

The Mobile Trash Compaction proposal, submitted by D.C. Lehman Company (Smash My Trash), was received in the most recent submission window and aims to reduce overall waste hauling costs. The Department in the process of performing a high-level screening to determine P3 applicability, and then will meet with internal and external stakeholders to determine feasibility.

The I-76 Managed Lanes proposal, submitted by CINTRA, aims to improve an estimated 17 miles of Interstate 76 (I-76) between the I-202 and I-676 split. This would include constructing four new, tolled, managed lanes (two in each direction). As this proposal was also received in the most recent submission window, the Department is currently still preparing to conduct a high-level screening.

Mr. Bonini then explained that the items categorized as On Hold were projects that have passed a high-level screening stage but require further coordination with the proposer and/or stakeholders. This additional coordination will then lead to either further consideration or dismissal.

PA Smart Transportation Infrastructure Initiative, proposed by Keystone Initiative for Network Based Education and Research (KINBER), aims to offer PennDOT access to their 1,800 miles of existing fiber to connect PennDOT's statewide assets. The P3 Office has conducted several meetings with the proposer, and an additional internal initiative is underway in coordination with the Commonwealth Broadband Plan.

PennDOT Truck Parking Expansion Program, proposed by Truck Specialized Parking Services, Inc., aims to support important initiatives in truck safety. PennDOT is currently coordinating with a freight working group and external stakeholders to examine this and similar issues.

Mr. Bonini concluded the update by explaining that the one proposal listed as Dismissed had been recommended for dismissal in the time between the previous Board meeting and the present meeting, specifics of which are provided in the Board Meeting Book.

Dismissal is typically determined due to a project not having merit or P3 procurement is not the best approach following Department review.

Environmental Solutions P3, proposed by Resource Environmental Solutions, included five environmental solutions for the Department to consider: threatened/endangered mitigation; wetland mitigation; stormwater offsets; MS4 offsets; and a new stormwater facility construction retrofit. PennDOT performed a high-level screening evaluation of the proposal and, at the time, determined that there were opportunities to explore. Mr. Bonini explained that it was eventually determined that a P3 for open-ended mitigation needs is not in the best interests of the Commonwealth. PennDOT continues to evaluate ways to examine mitigation needs from a District perspective rather than statewide. A dismissal letter was issued to the proposer in addition to a follow-up discussion. The dismissal was not due to merit, but rather because statewide application of this would not be in the Commonwealth's best interests.

With no comments from the Board, Mr. Bonini turned the floor over to Mr. Charles Dertinger to present an update on the Northampton County Bridge Renewal Program.

NORTHAMPTON COUNTY BRIDGE RENEWAL PROGRAM: PRESENTED BY MR. CHARLES DERTINGER

Mr. Dertinger provided an overview of the project, which started in 2017 and originally aimed to replace and/or rehabilitate 33 bridges located within Northampton County at a cost of \$38 million. To date, they have only been able to replace 22 of these bridges, and eight have been requested to be removed from the project by Northampton County. Additionally, one rehabilitation bridge crumbled before work could begin and was subsequently removed from the program and funded through the Transportation Improvement Program. Mr. Dertinger continued, noting that the project is expected to conclude in 2022 with three bridges remaining to be completed. In 2021, only four bridges were completed, ranging in size from 19 to 102 feet. The program experienced challenging circumstances including varying levels of litigation faced to keep the project moving. They continue to face litigation for values and circumstances for the remaining eight bridges.

With no questions from the Board, he turned the floor over to Mr. Bonini. Before beginning the next project update, Mr. Bonini noted to all attendees that anyone interested in offering public remarks/comment please submit their name in the chat ahead of time to properly afford time for each person.

RAPID BRIDGE REPLACEMENT (RBR) PROJECT: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini thanked Mr. Dertinger and provided an overview to the Board and attendees regarding the RBR project, noting that it was approved by the P3 Board in 2013 as a project to replace 558 poor condition bridges located across the Commonwealth. As of June 2021, all 558 bridges have been replaced and opened to traffic. Of these 558, 95% completed construction within the first three years.

Mr. Bonini explained that the agreement is currently in the Maintenance Phase, meaning that the Development Entity, Plenary Walsh Keystone Partners, is responsible for maintaining these bridges until 2043, which marks the end of the 25-year maintenance period. At that point, the bridges will then be turned back over to PennDOT in the agreed suitable condition as established by handback requirements. In closing, Mr. Bonini noted that the RBR project, delivering 558 bridges in a single Design Build Finance Operate Maintain project, remains a success story for P3 projects in Pennsylvania and nationwide.

With no questions from the Board, Mr. Bonini shifted focus to provide an update on the PennDOT Sponsorship and Advertising Program.

PENNDOT SPONSORSHIP AND ADVERTISING PROGRAM: PRESENTED BY MR. MICHAEL BONINI

Mr. Bonini explained that this project was approved in 2013 to provide opportunities to generate sponsorship and advertising revenue to offset the costs of sponsored programs, as well as provide an additional source of funds for other transportation-related projects and initiatives. The main sponsorship program included is the Safety Service Patrol, which provides free assistance to motorists on the Commonwealth's busiest interstates and expressways in 5 metropolitan areas.

Mr. Bonini provided a status update, noting that two firms, The Superlative Group and 2i Group, have been identified to serve as the program's vendors and are currently conducting an evaluation of sponsorship opportunities to present to the P3 Office and PennDOT for consideration. Prior to the present meeting, the P3 Office was informed that a safety service patrol vendor had been identified as willing to invest in a sponsorship of the patrol. If PennDOT would accept this, it would generate approximately \$2 million in revenue for the Department over a four-year period. The P3 Office will notify the Board and public once a vendor is officially selected.

With no questions from the Board, he turned the floor over to Mr. Andy Batson to provide an update on Compressed Natural Gas (CNG) Fueling Stations.

COMPRESSED NATURAL GAS (CNG) FUELING STATIONS: PRESENTED BY MR. ANDY BATSON

Mr. Batson provided a project status update and displayed a project map, noting that 19 of the 24 fueling stations are complete, with five remaining sites to be constructed. As of December 2021, transit agencies have saved \$5.1 million through the utilization of this program over traditional fueling methods. He explained that the P3 agreement began in 2017 and extends through 2037, at which point the assets will be turned back over to PennDOT and respective transit agencies. PennDOT is currently working with the development entity (DE), Trillium CNG, to transition to the operations and maintenance (O&M) phase and be properly set up for success for the remainder of the contract.

With no questions from the Board, Mr. Batson turned the floor over to Mr. Joseph Gurinko to provide an update on the Partnership 81 Project.

PARTNERSHIP 81 PROJECT: PRESENTED BY MR. JOSEPH GURINKO

Mr. Gurinko began his presentation by noting that the Partnership 81 Project was approved by the P3 Board in December 2019 as a bundle of 15 interstate bridge replacements along Interstates 80 and 81. PennDOT then conducted further analysis which recognized additional substantial needs for the I-81 corridor near Wilkes Barre that went beyond bridges. The Partnership 81 project focused on that corridor.

Mr. Gurinko continued, adding that the implementation of P3 delivery provides an excellent opportunity to address these identified needs/projects that were not programmed in the Twelve-Year Plan. Through P3 delivery, PennDOT can pay for the project through a longer term while continuing to provide benefits to motorists

Mr. Gurinko then displayed a map of the project limits and detailed the needed safety and mobility improvements; including widening to three lanes in both directions, elimination of a left-hand exit, improvements to adjacent intersections, and bridge replacements over a 7.5-mile section of I-81.

Mr. Gurinko then detailed the progress of ongoing project activities conducted in the past 18 months. Activities included receiving FHWA approval on the Purpose & Need document, identifying the selected Preliminary Design Consultant, performing an Alternatives Analysis, and receiving Board approval to procure the project through a Design-Build-Finance (DBF) approach.

Regarding next steps, Mr. Gurinko noted that the P3 Office aims to hold an Industry Forum for the project in spring 2022 to introduce the project and provide further details, including an anticipated schedule which is currently being refined.

Mr. Gurinko then opened the floor to the Board for any questions. With no questions from the Board, he turned the floor over to Mr. Kenneth McClain to provide an update on the Major Bridge P3 Initiative.

MAJOR BRIDGE P3 INITIATIVE: PRESENTED BY MR. KENNETH MCCLAIN AND MR. MICHAEL BONINI

Mr. McClain began by highlighting the Final Planning and Environmental Linkages (PEL) study, conducted in coordination with the Federal Highway Administration (FHWA), which can be used to determine which alternative funding options to pursue in near- and long-term to help build stable and dedicated transportation funding for Pennsylvania. Mr. McClain noted that this will serve as a guidebook for how the team analyzes and investigates programs moving forward and transparently relays this information to the public. He noted that these studies will only grow in importance as revenues continue to shrink.

Mr. McClain then provided an overview of key updates since the previous Board meeting in June 2021, specifically highlighting the efforts of the Transportation Revenue Options Commission (TROC) in the five-month period since its formation. Developments included a Strategic Funding Proposal which identified key processes being used to look at alternative funding opportunities moving forward.

Regarding federal funding, Mr. McClain noted the incoming increase in federal funding as a result of the Infrastructure Investment and Jobs Act (IIJA), which projects to allocated \$640 million in the first year, increasing annually for a period of five years; ultimately maturing at \$950 million. Despite this totaling approximately \$4 billion in additional funding, it still does not close the funding gap.

After providing an overview of the scope of need for PennDOT highway and bridge funding, Mr. McClain detailed Major Bridge P3 Initiative work being performed: technical analyses, financial modeling, procurement documents and development of diversion route improvements. Additional program updates include examination of one-way tolling on Interstate 80 (I-80) bridges. This would encompass four bridges along I-80, tolled in one direction to reduce the number of toll collection points drivers would encounter as well as reducing overall diversions and need for additional tolling infrastructure.

Mr. McClain then turned the floor back over to Mr. Bonini, who began with an overview of the Major Bridge P3 Initiative and several noteworthy details. Mr. Bonini reviewed the project goals, noting that they have not changed as the Department has progressed through procurement. A map of candidate bridge locations was shown to attendees, with Mr. Bonini highlighting the four bridges along I-80 that were previously referenced (shown on the map as items G, H, B and D).

Mr. Bonini continued to the topic of procurement, noting that the purpose of the project is to deliver improvements focusing on the rehabilitation and replacement of the nine candidate bridges through a progressive P3 agreement (which allows for either individual or packaged delivery) with a Design-Build-Finance-Maintain (DBFM) model. The maintenance portion of the agreement is still being determined, but financial models estimate a 30- 35-year period. Repayment would be made through availability payments, where the Department makes payments to the DE funded by toll revenues at the conclusion of construction on a bridgepackage basis, subject to performance specifications. Toll collection will be operated by the Pennsylvania Turnpike Commission (PTC) and their vendor, with PennDOT retaining toll-setting authority.

Mr. Bonini then provided an update on project milestones, noting that the Department received 23 responses to the issued Request for Information (RFI) and held one-on-one meetings with nine of these teams. A resulting Request for Qualifications (RFQ) was released in June 2021, with a Statement of Qualifications (SOQ) due date of Aug. 12, 2021. The resulting shortlist of teams was announced on Sept. 20, 2021.

Mr. Bonini then presented a timeline providing an overview of a general project schedule. PennDOT is currently executing a pre-development agreement (PDA) which will govern the initial work between the Development Entity and public owner. While a resulting fixed price cannot yet be determined, the PDA will present an indicative budget

to provide estimates of what can be delivered. PennDOT aims to identify a selected proposer in February 2022.

Regarding the project's conceptual structure, Mr. Bonini noted that the Department aims to execute the PDA in either late-Q1 or early-Q2 of 2022. Once executed, PennDOT will coordinate with the DE to identify how the bridges can be packaged and delivered together in separate DBFM agreements. PennDOT aims to reach financial close on the first package by the end of 2022.

Mr. Bonini continued, providing an overview of the required DE information for SOQ submittal. Respondents were required to include roles for four Major Team Members: equity members, lead construction contractor, lead engineering firm, and independent quality firm. The resulting information was then provided to a scoring committee, which conducted review/analysis which included input from Department subject matter experts. Once completed, a shortlist of three teams was announced to submit a response to the Request for Proposals (RFP): Keystone Pathway Developers; Bridging Pennsylvania Partners; and Keystone Pathways Mobility Partners. In addition to identifying these three teams, PennDOT also asked for nominated subcontractors that have started to align with these respective teams.

PennDOT walked through the draft RFP documents with the teams to further detail project expectations. Multiple draft versions of the RFP were distributed to the teams for their feedback to best understand the terms and conditions to outline. Agreements were identified in three segments: 1) instructions to proposers; 2) project agreement term sheet; and 3) draft PDA and exhibits.

Mr. Bonini concluded his presentation by providing attendees with the project procurement schedule, noting that each step was coordinated with FHWA throughout the process, and that the project will meet federal requirements and regulations. Additionally, the RFP is anticipated for issuance in the coming days. He then opened the floor to the Board for questions.

Honorable Michael Carroll thanked the P3 Office for their efforts, especially in responding to inquiries, meeting with the public and conducting public outreach sessions.

NEW BUSINESS:

With no new business, Mr. Bonini turned the floor over to Secretary Gramian.

OTHER BUSINESS:

Secretary Gramian thanked all presenters and expressed gratitude for their efforts in advancing P3s in Pennsylvania, and then opened the floor to any Board members for comments on other business. With none, Secretary Gramian opened the floor for public comment. With no comments from the public, Secretary Gramian thanked all attendees for their time and support of the P3 program and thanked all presenters. After noting

that the next Board meeting is scheduled for June 14, 2022 at 9:00 a.m., she brought forth a request for a motion to adjourn.

ADJOURNMENT:

On a motion by Honorable Michael Carroll, seconded by Mr. Mark Ryan and unanimously approved, the meeting was adjourned at 2:52 p.m.