



Steps to a P3 Procurement Transform66 Outside-the-Beltway Project

Charles A. Kilpatrick, P.E.
Commissioner of Highways
July 15, 2015

Progress on Transform66 Project

Developed a project scope that meets purpose and need and is financially feasible

Continue to developed public-sector financing option

Completed NEPA public hearings, continuing outreach

Met with five private sector teams interested in submitting proposals to deliver project as public-private partnership (P3)

Assembled PPTA Advisory Committee members and scheduled meeting August 17, 2015

Seeking CTB resolution to advance contingent on positive results from steps immediately ahead



PPTA Advisory Committee

Members

Deputy Secretary of Transportation Nick Donohue

CTB Member William Fralin

CTB Member Scott Kasprowicz

Deputy Secretary of Finance Janet Aylor

VDOT CFO John Lawson

House Appropriations Committee Staff Director Robert
Vaughn

Senate Finance Committee Staff Director Betsy Daley

Meeting August 17, 2015 in Richmond

Insights from Private Sector Team Meetings

Meetings with five private sector teams June 25 and July 1

Teams stated they understood the draft term sheet and welcomed the opportunity to explore other project information

Teams stated their intention to submit project proposals if Virginia initiates a procurement under the PPTA

Teams suggested more information and more flexibility in certain terms could add value

Length of concession term

Clearer understanding of the scope of improvements

More precise traffic and revenue estimates

Clearer statement on future Metrorail expansion

Alternative technical concepts (ATCs) and alternative financial concepts (AFTs) could reduce project costs and boost project revenues

Structure for revenue-sharing

Risk sharing on policy decisions related to I-66 Inside the Beltway, HOV conversion, Metrorail expansion, role of other public bodies

PPTA Legal Requirements and Guidelines

Public-Private Transportation Act (PPTA) and Guidelines adopted by VDOT and DRPT make Agency head of a Responsible Public Entity (RPE) responsible for P3s

PPTA requires Commissioner to determine that a P3 procurement includes benefits and better value than other options and a clear delineation of risks, liabilities, responsibilities to be retained or transferred to private partner

If Commissioner signs a Finding of Public Interest (FOPI) for a P3, then project moves to newly establish PPTA Advisory Committee to meet and concur

Under the Guidelines, the Secretary of Transportation also must approve the FOPI and the CTB must recommend that the Commissioner start the P3 procurement process

Commissioner FOPI for Transform66 Project Delivery under PPTA

Procurement of the Transform66 Project under the PPTA may be in the public interest

P3 procurement offers potential benefits, including transfer of revenue risk, locking in transit capital and operational resources, transfer of O&M and life-cycle costs and responsibilities.

Taking next step by initiating a P3 procurement, starting with a Request for Qualifications (RFQ), allows Commonwealth to determine more specifically the benefits and the relative value of a P3 project delivery

Details developed with private teams will confirm whether public interest still served by P3-based agreement or whether publicly-financed option provides more value.



Steps to I-66 P3 Procurement

CTB Briefing and Contingent Action	7/15/15
Transportation PPTA Advisory Committee	8/17/15
Completion of Initial Finding Of Public Interest (FOPI)	8/17/15
Issue P3 Request For Qualifications (RFQ)	8/18/15
CTB Action on NEPA Preferred Alternative	Fall 2015
Decision Point for Procurement Options	December 2015
Announcement of Successful Proposer	September 2016
PPTA Statutory Audit, Final FOPI & CTB Allocation of Funds	
Commercial Close	October 2016
Limited Notice to Proceed (Design and Permitting)	October 2016
Financial Close and Start of Construction	October 2016
	2017