Public Private Partnerships
Activities in Texas
AASHTO SOC
2007 Summer Meeting
Biloxi Mississippi

August 2007
Thomas Bohuslav
Texas Department of Transportation
Topics

• The Problem (Needs)
• Comprehensive Development Agreement (CDA and Concessionaire) Projects
• Trans Texas Corridor (TTC)
• Selection Process
• Regulatory and Project Requirements
• Contract Administration and Quality Assurance
The Problem

• Over the last 25 years, the Texas population has grown 57 percent

• New road capacity grew 8 percent over the same period

• Most funds go for the maintenance and operations of existing infrastructure
The Problem

• $188 billion of new projects are needed to reach an acceptable level of mobility by 2030

• $102 billion will be available to meet those needs

• Shortfall: $86 Billion
Tactic:

Comprehensive Development Agreements (CDAs)
Comprehensive Development Agreement (CDA) (Was EDA)

- Agreement with one entity (the developer) to develop, design, construct, finance, acquire, operate and/or maintain certain kinds of facilities
- Types of facilities:
  - Highways, Turnpikes, Freight or Passenger rail, Public Utilities
- Statutorily tied to toll, bonded, private equity, and Trans-Texas Corridor projects
- Best value selection
CDA Contractual Relationship

TxDOT

Private Sector Developer (Master CDA)

Truck Toll Roads
- Facility 1 - DBOM
- Facility 2 - DBFO

Passenger Rail
- Facility 1 - DB
- Facility 2 - DBFO

Toll Roads
- Facility 1 - DBFO
- Facility 2 - DBM

Freight Rail
- Facility 1 - DB
- Facility 2 - DBFO

Utilities
- Facility 1 - DBB
- Facility 2 - DBFO

Umbrella Contract

Facility Agreements

Delivery Methods
Trans-Texas Corridor 69
Trans-Texas Corridor 35
Preferred Route
Trans-Texas Corridor 35
Reasonable Corridor Alternative
SH 121
I 635, “LBJ Freeway”
SH 161
I 820/SH 183/I 35W
US 281/Loop 1604
SH 114/SH 121, “The Funnel”

Sample of Possible/Existing CDA Projects
Comprehensive Development Agreement (CDA)

Completed CDA Procurements:

1. SH 130 Segments 1-4 (EDA/DB)($1 B)
2. Statewide Toll Integrator CDA
3. SH 45 Southeast CDA (DB and ROW) (Cancelled)
4. TTC-35 Master Planning CDA (PPP)
   a. SH 130 Segments 5-6 (PPP)(Southern 40 Miles $1 B)
Comprehensive Development Agreement (CDA)

Open Procurements:

TTC 69 Pharr, Laredo, Corpus, Houston, Lufkin, Atlanta - Received two developer proposals in June '06.

SH 121 Dallas, Fort Worth
IH 635 Dallas
US 281/1604 San Antonio
SH 161 Dallas
SH 114 Dallas, Fort Worth - Funnel
IH 820/SH 183/IH 35, Fort Worth

Another 49 projects, $27 B with potential for PPP.

Above list detailed prior to last state legislative session.
Long-term Tactic:

Trans-Texas Corridor
TTC-35 Overview and Concept
The Trans-Texas Corridor

• First two routes are now in planning stages:
  – TTC-35 (Oklahoma to Mexico/Gulf Coast)
  – TTC-69 (Texarkana/Shreveport to Mexico)
SH 130
Segments 5 & 6:
First Concession Agreement
Development of TTC-35

- Moving forward on two separate but simultaneous tracks
  - Environmental Study
  - Comprehensive Development Agreement
- Development tracks are concurrent not sequential
Cintra Zachry Proposal

• A 50-year partnership to develop, operate and collect tolls
• CZ investment of $6 billion in near-term construction projects
• Anticipates CZ payment $1.2 billion to TxDOT for other transportation projects within the corridor
Master CDA and Facility Agreements

- Master CDA is umbrella agreement between TxDOT & the Private Sector Developer
  - Establishes general terms of working relationship between TxDOT & Developer for up to 50 years
  - Requires TxDOT and Developer to create Master Development & Master Financial Plan that will be followed to implement TTC35
  - Does not authorize any construction activities

- Facility Agreements will:
  - Be developed specifically for each independent Facility as part of TTC
  - Will cover design, construction, operations, finance, etc for specific projects.
  - May be negotiated with TTC Developer or procured using other procurement strategies
Project Agreement (SH 130 segments 5 & 6)

- Texas receives:
  - $1.35 B 40 mile project at no cost to state
  - $25 million up-front concession fee
  - Estimated $245 million present value of revenue sharing over 50 years
  - A long-term source of maintenance funding
- Cintra receives the right to collect tolls for 50 years in return for the obligation to design, build, finance, operate, and maintain the toll project
- Estimated opening date of 2012 (subject to NEPA)
Revenue Sharing

- Revenue shared beginning with first dollar collected
- Future toll revenues shared in “bands”
  - Up to 11% equity return – Texas receives 4.65% of revenues
  - Up to 15% equity return – Texas receives 9.3% of revenues
  - Over 15% equity return – Texas receives 50% of revenues
- Estimated $245 million present value over 50 years
Other Agreement Terms

• Revenue sharing is based on 70 mph speed
  – Increased speed limits would result in additional revenue sharing

• Capacity improvements
  – CZ is required to maintain specific levels of service that include traffic flow and speed
Non-Compete Clause

- Extensive protections are included to maintain future flexibility
  - All projects in current long-range plan will be built as planned
  - No limitations to work on I-35
  - No future roadways are delayed or prohibited
  - Establishes competing facility zone
    - Non-exempt projects will be studied for revenue impact and banked (could be positive or negative)
Toll Rates

- Market Rates based on consumer demand
- Texans will decide what they are willing to pay
- Toll rate escalation methodology will be approved by the commission according to state law
- Tolls may be increased annually but are capped
- Rates are based on the growth of the Texas economy
SH 121 Denton and Collin Counties

The TxDOT Plan

Texas Moving Forward
Public Private Partnerships

- SH 121 New Freeway NE of Dallas
- Initial unsolicited
- 5 proposers
- 3 short list
- 200 million from TxDOT to NTTA
- Second Comparitor
- 2.1 B up front from Cintra
- $750 M NPW from Cintra
- They OM, buy ROW,
- 50 years
- $560 M to build
PROPOSAL EVALUATION CRITERIA

• TxDOT used a rigorous & pre-established evaluation process to select the Best Value Proposal.

• Both RTC and FHWA observed the selection process.

• All three proposals were evaluated based on the following scoring:
  
  Price Score = 80 points
  Technical Score = 10 points
  Schedule Score = 10 points
  Total Score = 100 points
Results

- Cintra
- Macquarie
- Skanska
$5.060 Billion Transportation Investment in North Texas*

$2.1 billion - Upfront Concession Payment

$700 million - Total lease payments over the next 49 years in today’s dollars (guaranteed)

$560 million - Design & Construction Cost

$1.7 billion - 50 years Operation & Maintenance in today’s dollars

*Additional revenue sharing if traffic is higher than expected
NEXT STEPS

- Environmental approval for Collin County section anticipated by late April 2007
- Final execution of the CDA and related documents contingent on Environmental Approval
- Financial close and receipt of upfront Concession Payment - summer 2007
- 50 year lease starts when developer begins tolling operations - anticipated spring 2008
Who does what?
Regulatory and Project Requirements

Besides procurement documents and contract/agreements we have developed:

- Performance Requirements
- Legacy System Requirements
- Regulatory Requirements Guidance
What about State Construction Staff?
Performance Requirements

- Standard book of Roadside, Roadway, and Structure Standards
- Additional project specific requirements
## Legacy Systems

Legacy systems are those systems (information systems and hard copy data) that contain the department uses to monitor, maintain, and report.

### Over 200 Legacy Systems Reviewed

<table>
<thead>
<tr>
<th>System Name</th>
<th>Form/ID</th>
<th>Department</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pile Record</td>
<td>166</td>
<td>ERG</td>
<td>Requires monthly, final progress reports are required after final acceptance or after all ODE / HUD participation is complete.</td>
<td>Form 166</td>
</tr>
<tr>
<td>Drilled Shaft Record</td>
<td>1276</td>
<td>ERG</td>
<td>Where the project is or will be on system and third parties administer construction, send at or before project completion.</td>
<td>Form 1276</td>
</tr>
<tr>
<td>Test Pile Data</td>
<td>181</td>
<td>ERG</td>
<td>Where the project is or will be on system and third parties administer construction, send at or before project completion.</td>
<td>Form 181</td>
</tr>
<tr>
<td>Structural Shop Drawings</td>
<td>ERG</td>
<td></td>
<td>As-built structural details.</td>
<td>As-built structural details.</td>
</tr>
<tr>
<td>Bridge Inspection Data</td>
<td>ERG</td>
<td></td>
<td>Bridge inspection records as required by TxDOT Bridge Inspection Manual which includes electronic data, data conforming to the Texas Bridge Inspection Coding Guide, and the following scanned documentation: reports, field notes, and other documentation outlined in the TxDOT Bridge Inspection Manual.</td>
<td>As required by the TxDOT Bridge Inspection Manual.</td>
</tr>
<tr>
<td>Contractor Bidding System</td>
<td>CBS</td>
<td>CST</td>
<td>The Contractor Bidding System (CBS) automates the process of qualifying contractors wanting to do business with TxDOT and maintains contractor information before and after the qualification process.</td>
<td>As a matter of policy we have decided not to take 3rd party lettings on CDAs into account for bidding expediency.</td>
</tr>
<tr>
<td>Decision Support System</td>
<td>DSS</td>
<td>CST</td>
<td>Decision Support System (DSS) is the analysis part of the Bid Analysis Management System/Decision Support System (BAMS/DSS). It was developed by Infotech for AASHTO. It is sometimes referred to as TRANSPORT (TRANSPORT). See Bid Analysis Management System.</td>
<td>As a matter of policy we have decided not to interface 3rd party lettings &amp; CDAs into BAMS/DSS.</td>
</tr>
<tr>
<td>Electronic Project Records</td>
<td>CDPR</td>
<td>CST</td>
<td>The Electronic Project Records System (EPRS) will improve TxDOT’s communications with the contracting community and provide TxDOT Districts / Divisions in sending and receiving information to and from contractors, by establishing a standard secure electronic data transmission method.</td>
<td>No submission schedule, third parties will be required to receive payments from prime and subcontractors. For state funded projects, third party record management is all the third parties option, then contractors or third party project records.</td>
</tr>
<tr>
<td>Pavement Management System</td>
<td>PMIS</td>
<td>CST</td>
<td>The Pavement Management Information System (PMIS) automates highway network-related activities of the Department's Pavement Management system and addresses pavement-related functions including planning, rehabilitation, reconstruction, and repair maintenance.</td>
<td>PMIS raw data including soil and texture.</td>
</tr>
</tbody>
</table>

| Note                         |                                                  |                                                  |                                                  |                                                  |
|------------------------------|                                                  |                                                  |                                                  |                                                  |
| Final progress reports       | Are required monthly, final progress reports are required after final acceptance or after all ODE / HUD participation is complete. | Form 166                                      | Where the project is or will be on system and third parties administer construction, send at or before project completion. | The third party to send to GSD-Records Management and fill district a hard or electronic copy. |
| Contexts                    |                                                  |                                                  |                                                  |                                                  |
| Final progress reports       |                                                  |                                                  |                                                  |                                                  |
| PMIS raw data                |                                                  |                                                  |                                                  |                                                  |

- **CBS**: Construction Bidding System
- **ERG**: Environmental Records Group
- **CST**: Computer Services Team
- **DSS**: Decision Support System
- **EPRS**: Electronic Project Records System
- **PMIS**: Pavement Management Information System

March 20, 2020
**Legacy Systems**

**Accident Reporting**

#7. **form 2111 (OCC)**

---

**ALERT BULLETIN**

for the

**FEDERAL HIGHWAY ADMINISTRATION**

---

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>DESCRIPTION OF INCIDENT</strong> (Accident, Flood, Road Closure, etc.):</td>
</tr>
<tr>
<td>2.</td>
<td><strong>LOCATION</strong> (State/District/City/County/Route/Milepost/Railroad/River, etc.):</td>
</tr>
<tr>
<td>3.</td>
<td><strong>DATE/TIME OF INCIDENT</strong>:</td>
</tr>
<tr>
<td>4.</td>
<td><strong>WEATHER AND ROAD CONDITIONS</strong>:</td>
</tr>
<tr>
<td>5.</td>
<td><strong>DESCRIPTION OF VEHICLES INVOLVED</strong>:</td>
</tr>
<tr>
<td>6.</td>
<td><strong>NUMBER OF FATALITIES/INJURIES</strong>:</td>
</tr>
</tbody>
</table>
### PILE RECORD

<table>
<thead>
<tr>
<th>Bent No.</th>
<th>Date Driven</th>
<th>Pile Size</th>
<th>Design Load</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Legacy Systems
Bridge Inspections

View the Bridge Inspection Manual

July 2002

Click to open the PDF file in a separate window

#11 other information required by the TxDOT Bridge Inspection Manual. (BRG)
Utility Installation Request

To the Texas Transportation Commission

Date ___________________________

c/o District Engineer

Texas Department of Transportation ____________________________ , Texas

Formal notice is hereby given that ________________________________ proposes to place a line within the right of way of __________ , RM ______ to RM ______ in __________ County Texas, MNT Sec. No. ______ as follows: (give location, length, general design, etc. Use additional sheet as needed)

________________________________________________________________________

________________________________________________________________________

We will construct and maintain the line on the highway right of way as shown on the attached drawing and in accordance with the rules, regulations and policies of the Texas Department of Transportation (TxDOT), and all governing laws, including, but not limited to, the “Texas Engineering Practice Act,” “Federal Clean Water Act,” the “National Endangered Species Act,” “Americans with Disabilities Act,” and the “Federal Historic Preservation Act.” Upon request by TxDOT, we will submit to TxDOT proof of compliance with all governing laws, rules and regulations before commencement of construction. Plans shall include the design, proposed location, vertical elevations, and horizontal alignments of the facility based on the department’s survey datum, the relationship to existing highway facilities and the right of way line, traffic safety and access procedures, and location of existing utilities that may be affected by the proposed utility facility. The location and description of the proposed line and appurtenances is more fully shown by a complete set of drawings attached to this notice.

Our organization will use Best Management Practices to minimize erosion and sedimentation resulting from the proposed installation, and we will revegetate the project area as indicated under “Revegetation Special Provisions.”

Our organization will ensure that traffic control measures complying with applicable portions of the Texas Manual on Uniform Traffic Control Devices will be installed and maintained for the duration of this installation.
Update to the Local Government Project Procedures (LGPP) for Letting and Construction Oversight
Module 11 - Construction

Currently guidance is provided on 80 specific project components.
Oversight of Local Governments Projects Task Force

1. Introduction to Local Government Project Procedures
2. Planning and Programming
3. Contracting with TxDOT (AFAs)
4. Site Identification and Survey
5. Environmental Affairs
6. Right of Way, Other Land and Utilities
7. Preliminary Engineering and PS&E
8. Building Architecture
10. Bridges
11. Construction
12. Procurement of Other Goods and Services
13. Maintenance
14. Finance
15. Audit
Module 11 - Construction

As an example, the Bid Document Preparation Section includes project requirements for:

- Bonding & Prequalification
- Buy America
- Change Orders
- Claims
- Differing Site Conditions
- DBE
- FHWA Form 1273
- Prevailing Minimum Wage
- Etc.
Module 11 - Construction

The Letting and Award Section includes project requirements for:

- Addenda
- Advertising
- Bonding & Prequalification
- Bid Opening and Tabulation
- Bid Analysis and Contract Award
- Etc.
Module 11 - Construction

For each component the guidance shows:

- The Component Requirement,
- References to the Statute or Code, and
- Application depending on
  - Funding Source
  - What System (NHS, state, etc.)
  - Administrator of the Contract
  - Type of Procurement
- Lists the Local Government’s Responsibilities, and
- Department oversight Guidance.
Organization Structure – Quality Management

Quality Management Organization
SH 130 Segments 5 & 6
(Proposed)
SH 130 Major Project PMP

• The Developer is responsible for developing a Facility Management Plan (FMP) for TxDOT consideration and approval that will establish all procedures, processes and quality management systems to ensure compliance with the FCA.

• The Developer is responsible for conducting all necessary auditing, together with acceptance testing and inspection consistent with contract requirements and the approved FMP.

• The FMP is an important management tool that will be used by TxDOT and the Independent Engineer (IE) to monitor and audit the Developer throughout the contract period.
SH 130 Major Project PMP

• The Developer is responsible for all QA/QC activities necessary to manage the development, design, construction, operation and maintenance of the Facility and to achieve environmental compliance.

• The Developer will undertake all aspects of QA/QC in accordance with the approved FMP and good industry practice.
Questions.