



PRESOLICITATION INFORMATION MEMORANDUM

I-495 and I-270 P3 Program
November 2018

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1 INTRODUCTION

The Maryland Department of Transportation (“MDOT”) is issuing this Presolicitation Information Memorandum (“PIM”) in connection with the proposed I-495 & I-270 P3 Program (“P3 Program”). The PIM is intended to provide an overview of the opportunity currently being considered for the first phase of the P3 Program and inform industry participants in advance of an industry forum to be held on December 13, 2018 followed by one-on-one meetings on December 13 - 14, 2018. Feedback received during the industry forum will guide decisions regarding the solicitation which is anticipated to begin with the issuance of a Request for Qualifications (“RFQ”) in April 2019.

The overall P3 Program will include improvements for over 70 miles of interstate highways in Maryland including:

- I-495 (Capital Beltway) from south of the American Legion Bridge over the Potomac River to west of MD-5 and
- I-270 (Dwight D. Eisenhower Memorial Highway) from I-495 to I-70, including the east and west I-270 spurs.

The P3 Program is under concurrent development with the I-495 & I-270 Managed Lanes Study (“MLS”), the first study under the Program which is being completed in compliance with the National Environmental Policy Act (“NEPA”). The Federal Highway Administration (“FHWA”) is serving as the lead federal agency with the MDOT State Highway Administration (“MDOT SHA”) serving as co-lead and local project sponsor.

MDOT & MDTA Roles

MDOT and the Maryland Transportation Authority (“MDTA”) will act as the Reporting Agencies for the solicitation of the P3 Program, working together to develop and advance the solicitation to deliver the P3 Program. As each solicitation is successfully completed, MDOT and MDTA will use their unique capabilities to enable successful delivery of the P3 Program.

MDOT has dedicated its resources to support the P3 Program and will use these to manage and administer each concession. MDTA will use its authority to set and collect tolls to allow for the developer to receive toll revenues for the life of each concession.

P3 Solicitation Development

Concurrent with, but separately from the MLS, MDOT will be initiating the solicitation process with respect to the first phase of the P3 Program. The P3 solicitation milestones are being aligned with the MLS schedule to maximize efficiency in delivery of congestion relief while ensuring the integrity of the NEPA process, consistent with the United States Code of Federal Regulations (“CFR”) in 23 CFR 636.109. While the P3 solicitation process may be initiated prior to the identification of a recommended preferred alternative, it is anticipated that the MDOT SHA recommended preferred alternative will be identified by the second quarter of 2019, concurrently with the issuance of the request for qualifications. Consideration of information received through the solicitation process can occur during the NEPA process, subject to federal requirements. No actions by the private entities can be taken that would bias the MLS toward a particular alternative prior to the conclusion of NEPA (23 CFR 636.109(b)). In the event that priced

managed lanes are not part of the MDOT SHA recommended preferred alternative, the solicitation process would be terminated. If priced managed lanes are part of the MDOT SHA recommended preferred alternative, then the solicitation process would continue and the draft Request for Proposals (“RFP”), including the MDOT SHA recommended preferred alternative, would be issued to the shortlisted private-entities concurrent with the public release of the draft Environmental Impact Statement (“EIS”).

2 INDUSTRY FORUM & ONE-ON-ONE MEETINGS

MDOT will hold an industry forum for the P3 Program on December 13, 2018 including presentations on a P3 Program update, MBE/DBE Outreach, and collaboration opportunities. Detailed information related to the industry forum is available at https://i-495-i-270_p3_industryforum.eventbrite.com. In conjunction with the industry forum, MDOT will hold one-on-one meetings with potential developers and prime contractors determined by MDOT to be Qualified Respondents on December 13 - 14, 2018. Separate registrations will be required, as instructed on the website, to attend the industry forum and the MBE/DBE Outreach event.

One-on-One Meetings for Qualified Respondents

MDOT believes one-on-one meetings provide a valuable platform to facilitate discussion and gather constructive feedback from the groups of respondents defined by the criteria described below (collectively referred to as “Qualified Respondents”).

- Criteria #1:** Contractors with experience(s) as sole contractor or member of a construction joint venture responsible for the delivery of roadway and/or bridge infrastructure with an aggregate contract price of over \$1 billion USD; and
- Criteria #2:** Developers or equity investors with experience(s) as a member of a project team or venture that has submitted a proposal for over \$500 million USD in financed capital and itself committed to contribute a minimum of \$50 million USD in equity capital for a civil infrastructure project. Preference will be given for participation in projects with revenue or demand risk.

Accordingly, MDOT will offer Qualified Respondents the opportunity to request a one-on-one meeting to discuss the Program and provide further input to MDOT. There will be a limited number of meetings available, and MDOT does not guarantee any respondent a meeting. **MDOT will determine which Qualified Respondents it will meet at its sole and absolute discretion.**

Qualified Respondents may submit a response to this PIM in the form of Exhibit B that includes up to five projects demonstrating how they meet either criteria for a Qualified Respondent. If there are two or more Qualified Respondents that would like to jointly participate in a one-on-one meeting, they may do so by submitting a request form for each Qualified Respondent as an attachment to the same email. The form(s) must be submitted as an attachment to I495_I270_p3@sha.state.md.us by 6pm ET on November 23, 2018. Please note that Qualified Respondents under this PIM shall not automatically be deemed a Qualified Respondent under any resulting Request for Qualifications and firms not deemed Qualified Respondents are not excluded from participation in any solicitation.

MDOT is also requesting that Qualified Respondents host tables as part of the MBE/DBE Outreach event. A checkbox is in the form of Exhibit B for Qualified Respondents to indicate interest. Preference for one-on-one meetings will be given to Qualified Respondents who host a table at the MBE/DBE Outreach event.

MDOT will respond to valid submissions with a notification of date and time of the one-on-one meeting by 6pm ET on November 30, 2018.

PIM and One-on-One Meetings Participation / Public Information Act

All responses to this PIM will be handled in accordance with the Public Information Act. Respondents should give specific attention to the identification of those portions of their responses that they deem to be confidential, proprietary information or trade secrets and provide any justification why such materials, upon request, should not be disclosed by the MDOT under the Maryland Public Information Act.

3 P3 PROGRAM OVERVIEW

Traffic Relief Plan and I-495 & I-270 P3 Program Overview

Maryland has the second highest commuting times in the nation and the National Capital Region faces some of the nation's worst congestion. To address this issue, Governor Hogan announced the Traffic Relief Plan ("TRP") initiative in 2017 to bring innovative solutions to address the transportation challenges on Maryland's most congested roads, including I-495, I-270, MD 295/The Baltimore Washington Parkway, I-695 and I-95. Once completed, the Traffic Relief Plan will provide a reliable travel choice, ease congestion, reduce travel times and improve the quality of life for the citizens of Maryland.

The P3 Program is a component of the TRP, whereby MDOT will be seeking proposals from the private sector to enter into a Public-Private Partnership ("P3") with the state, to develop innovative approaches to design, build, finance, operate, and maintain the potential improvements identified through the MLS.

I-495 & I-270 Managed Lanes Study

The P3 Program is under concurrent development with the MLS. The MLS limits extend from south of the American Legion Bridge in Virginia clockwise along I-495 in Maryland to west of MD-5 and along I-270 from I-495 to I-370, including the east and west I-270 spurs. A second environmental study under the P3 Program, not included in the first study limits, is anticipated to extend along I-270 from I-370 to I-70 and begin in 2019. Both studies will follow the NEPA process.

The purpose of the MLS is to develop and analyze priced managed lane solutions and reasonable alternatives that address congestion, improve trip reliability on I-495 and I-270 within the study limits and enhance existing and planned multimodal mobility and connectivity. The study will address the need to accommodate existing traffic and long-term traffic growth, enhance trip reliability, provide additional roadway travel choices, accommodate homeland security, and improve the movement of goods and services. The MLS will result in the development of an EIS, which presents the potential impacts of a proposed solution.

Coordination with Virginia Express Lanes

Concurrent with but independent from the MLS, the Virginia Department of Transportation (“VDOT”) is conducting its own environmental study regarding plans to extend the existing I-495 Express Lanes by approximately three miles from the I-495 and Dulles Toll Road interchange to the vicinity of the American Legion Bridge and Maryland line. MDOT SHA and VDOT are coordinating their studies on the adjoining sections of the I-495 Capital Beltway, and have established a joint working committee that meets regularly.

Virginia's I-495 Express Lanes Northern Extension study, also referred to as 495 NEXT, is being developed as an independent, stand-alone project that will be closely coordinated and compatible with the MLS. The full scope of improvements will be refined over the coming months. 495 NEXT was initiated in April 2018 and is expected to be completed in late spring 2019.

4 PROJECT CONTRACTING & FINANCIAL OVERVIEW

P3 Program Phased Solicitation Approach

MDOT is currently considering delivering the P3 Program as a series of long-term design-build-finance-operate-maintain revenue risk concessions. Each concession would encompass a portion of the P3 Program and be solicited in phases.

The solicitation of each phase of the P3 Program would include a two-step process with a request for qualifications and request for proposals. Teams would be asked to submit statements of qualifications for each phase addressing their experience delivering similar projects and be shortlisted to engage in the request for proposals process. Selection would be based on a best-value process considering how each team addresses the solicitation requirements and consistent with the overall goals and value statements established in the solicitation documents.

Initial Solicitation Goals and Value Statements

MDOT is looking to develop a travel demand management solution along I-495 & I-270 that addresses congestion, improves trip reliability and enhances existing and planned multimodal mobility and connectivity. The following goals and values have been established for the initial solicitation of the P3 Program:

- **Provide congestion relief for all travelers of the system** – MDOT is seeking to deliver improvements that will accommodate existing traffic and long-term traffic growth, enhance trip reliability, provide additional travel choices, accommodate homeland security, and provide for the movement of goods and services. Improvements provided over the life of an agreement must best satisfy these needs while providing value to travelers.
- **Minimize impacts** – MDOT values developing improvements in an environmentally and socially responsible manner. MDOT values a partner that will work with all stakeholders to avoid and minimize community, wetlands, waterways, cultural, noise, air quality and parkland impacts, and mitigate for impacts when not avoidable and to the extent practicable.
- **Provide a concession payment upon financial close and/or revenue sharing to the State** – MDOT values an agreement which will best ensure that MDOT can deliver the improvements for the full limits of P3 Program while not requiring any contribution from the Transportation Trust Fund.
- **Accelerated delivery** – MDOT is seeking to deliver these improvements to travelers in an efficient manner that optimizes construction while providing the least amount of disruption to travelers within the region and the community.

In meeting MDOT's goals, MDOT is looking for a partner with shockingly innovative approaches that will provide high value with a focus on ensuring excellent customer service to MDOT and the public.

Initial Solicitation Scope

For the initial phase of the P3 Program, MDOT is currently considering a 50-year concession for delivering priced managed lanes beginning in Virginia at the George Washington Parkway, reconstructing or rehabilitating the American Legion Bridge and extending priced managed lanes into Maryland such that total design and construction cost would be approximately \$2 billion to \$5 billion. Operations and maintenance scope for each phase would not include fence to fence responsibilities, but only for the priced managed lanes and associated assets.

Form of P3 Agreement

MDOT anticipates developing and releasing the form of the P3 agreement this winter, which will serve as the model upon which the solicitation documents each P3 Program phase will be

developed. MDOT would also invite industry participant feedback on the form of the P3 agreement prior to RFQ issuance.

Initial Solicitation Timeline

MDOT and the Maryland Transportation Authority (“MDTA”) intend to submit a presolicitation report for the P3 Program to the Comptroller, State Treasurer, Senate Budget and Taxation Committee, House Ways and Means Committee, House Appropriations Committee and Department of Legislative Services (“DLS”) of the State of Maryland for review in accordance with the State Finance and Procurement Article § 10A-201(a) of the Annotated Code of Maryland in December 2018.

Following the required review period and consideration of all comments, the presolicitation report will be submitted to the Board of Public Works (“BPW”) to request its approval to advance the P3 Program. In accordance with State law, each proposed P3 agreement will be submitted for separate review and approval by the BPW prior to commercial close.

The P3 Program would be expected to reach the following milestone schedule for the initial solicitation:

Milestone	Date
Industry forum held for potential teaming partners	December 13, 2018
BPW approval of P3 Designation	February 2019
Request for qualifications released to industry	April 2019
Shortlist of qualified teams announced	Q2 2019
Draft request for proposals released to shortlisted teams	Q3 2019
Final request for proposals released to shortlisted teams	Q1 2020
Technical/Financial proposals due	Q3 2020
Selection of preferred bidder	Q3 2020
BPW approval of P3 Agreement(s)	Q4 2020
P3 Agreement(s) executed	Q4 2020
Financial close target	Q4 2020

This milestone schedule is an estimate and may be subject to change.

Potential for federal financing

The developer will be solely responsible for financing each concession. MDOT does, however, expect to pursue federal credit assistance programs on behalf of the developer concurrent with the solicitation to give the developer access to a Transportation Infrastructure Finance and Innovation Act (“TIFIA”) loan and a Private Activity Bonds (“PABs”) allocation.

5 TECHNICAL INFORMATION

Available Information

MDOT is currently developing technical information that will be made available to industry over the coming months. This information will include:

- LIDAR based topographic surveys
- Utility record plans, designations, and utility mosaic
- Historical geotechnical and boring information
- Historical pavement information
- MDOT SHA, Montgomery County, and Prince George's County record plans
- Right of way plats and mosaic
- Existing and 2040 traffic, including volumes and simulation model outputs
- Traffic and Revenue Studies

EXHIBIT A – P3 PROGRAM MAP

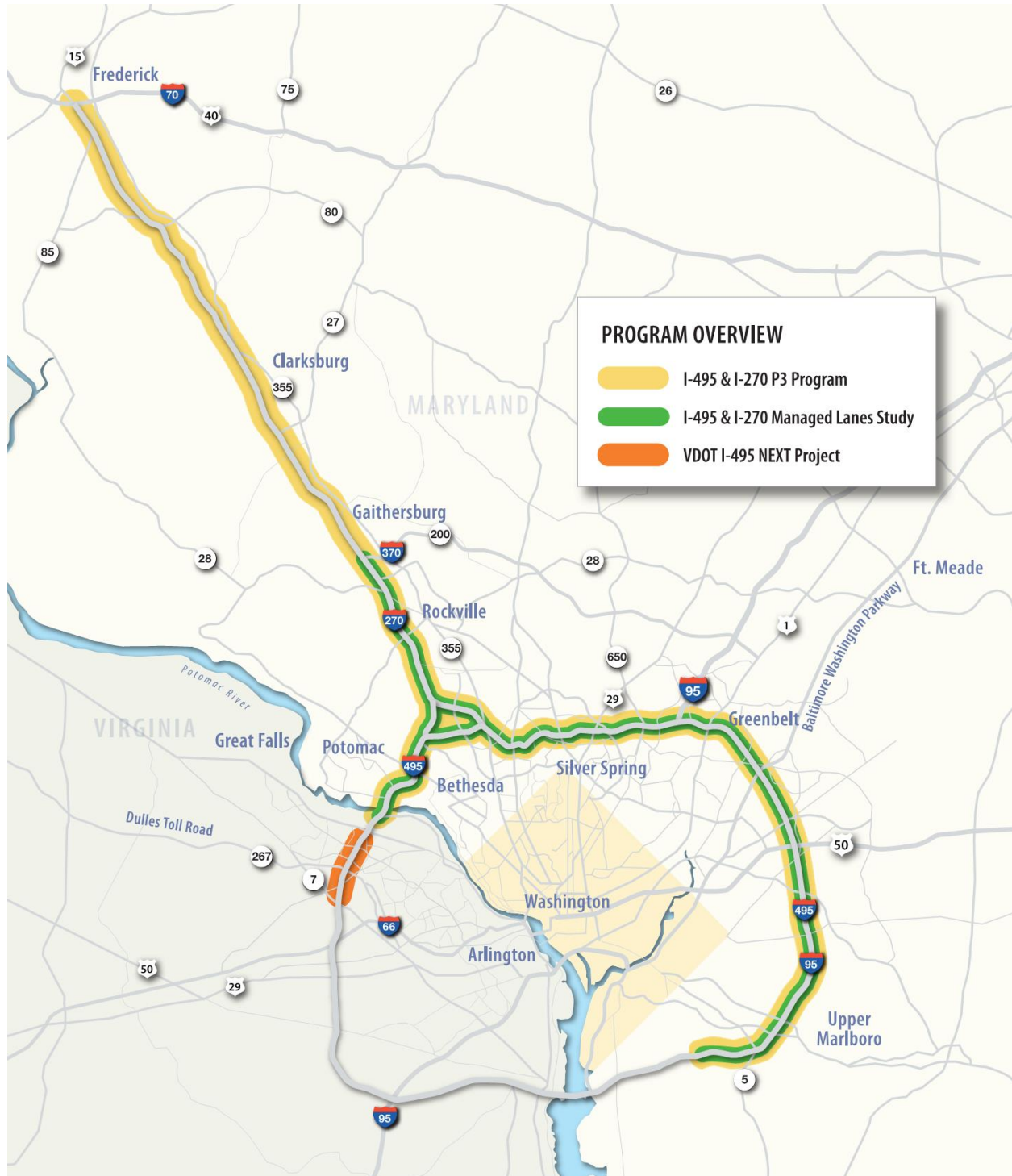


EXHIBIT B – ONE-ON-ONE MEETING REQUEST FORM

Respondent legal name: _____

In order to request a one-on-one meeting, please provide up to five projects as evidence that respondent is a Qualified Respondent by completing the tables below consistent with Section 2 of this PIM.

Contractor Projects – for Qualified Respondent Criteria #1

Project Name	Project Location	Project Sector	Respondent Role (sole contractor or member of a CJV)	Project Contract Price (\$M)

Developer/Equity Projects – for Qualified Respondent Criteria #2

Project Name	Project Location	Revenue/ Demand Risk?	Financed Capital Amount (\$M)	Respondent Committed Equity Amount (\$M)	% of Total Equity Amount	Respondent reached financial close?

Please check this box if your firm would like to host a table for the MBE/DBE Outreach event:

Please submit the filled form to I495_I270_p3@sha.state.md.us no later than 6pm ET on November 23, 2018.