FasTracks Eagle P3 Overview

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Regional Transportation District

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The RTD FasTracks Plan

- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT) service
- 31 new park-n-Rides; over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs (FastConnects)
- Redevelopment of Denver Union Station
- 50+ new rail and/or BRT stations for Transit Oriented Communities Opportunities
FasTracks Status

• 50 miles of new rail line currently in construction or under contract to begin construction

• Environmental processes complete

• Agreements nearly complete with Union Pacific and BNSF Railroads

• West Rail Line – 90% complete

• Denver Union Station – 50% complete

• Plan assumes a ballot initiative in 2012 for a 0.4% sales and use tax increase
Eagle P3 Project

- Includes East Rail Line, Gold Line, Commuter Rail Maintenance Facility and a portion of Northwest Rail Line (to south Westminster)

- Project Funding - $2.1 billion
  - $1.03 billion in federal funds
  - $486 million in private equity
  - $500 million in local funds
  - $280 million Transportation Infrastructure Finance Innovation Act (TIFIA) loan
Eagle P3 Project

- First transit P3 of this magnitude in the U.S.
- RTD retains ownership of assets
- Availability payment model
- 34-year contract (6 years – design/build; 28 years – operate/maintain)
- Concessionaire agreement includes incentives and penalties
- Appropriate risk sharing
- Alternate Technical Concepts (ATCs)
- Provision of stipends and compensation to winning team as an incentive
- More public entities are turning to P3s to build out their projects
- Successful bid came in $305 million below budget/estimate
## Risk Sharing

<table>
<thead>
<tr>
<th>RTD Risk</th>
<th>Concessionaire Risk</th>
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<tr>
<td>• Third party change/betterments request</td>
<td>• Failure to meet the specified requirements</td>
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<tr>
<td>• RTD requested changes to project requirements</td>
<td>• Design/construction delays</td>
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<td>• ROW acquisition</td>
<td>• Cost overruns</td>
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<td>• Unforeseen archaeological risks</td>
<td>• Additional land requirements</td>
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<td>• Errors/omissions in environmental reports</td>
<td>• Compliance with environmental requirements</td>
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<tr>
<td>• RTD permits</td>
<td>• Geological conditions/obstructions</td>
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<td>• Discriminatory legislative changes</td>
<td>• Safety and security</td>
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<td>• Ridership meeting forecast</td>
<td>• FRA approvals</td>
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<td>• Railroad force account work</td>
<td>• Accuracy of reference data</td>
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<td></td>
<td>• Concessionaire permits</td>
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<td>• Concessionaire or subcontractor default</td>
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<td>• Final completion</td>
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<td>• Third party claims</td>
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<td>• Security during the construction period</td>
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<td>• Failure to meet operating performance standards</td>
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<td>• Operation and maintenance costs</td>
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<td>• Condition of system at the end of concession period</td>
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<td>• Identified utilities</td>
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<td>• Compliance with railroad agreements</td>
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<td><strong>Shared Risk</strong></td>
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<tr>
<td>• Non-discriminatory legislative change</td>
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<td>• Force majeure</td>
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<td>• Third party design reviews – disputes</td>
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<td>• Fare evasion</td>
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Success in Securing Federal Funds

• $1.3 billion in Full Funding Grant Agreements
  – $1.03 billion FFGA awarded in August for East Line and Gold Line
  – $308 million awarded for West Line in 2009

• The largest FFGA awarded by the Obama Administration to date

• $280 million TIFIA loan awarded in December for Eagle P3
  – Will free up cash for other projects
Eagle P3 Procurement/Implementation Process

- Approximately three years from concept to contract
- Request for Qualifications process – Summer 2008
- Draft Request for Proposals (RFP) – December 2008
- Extensive industry review – Early 2009
- Final RFP – September 2009
- Final Proposals Received – May 2010
- Eagle P3 Team Selection – June 2010
- Financial Close/NTP – August 2010
- Broke ground on August 26, 2012
RTD’s Concessionaire

**RTD**

**Concessionaire**

*Denver Transit Partners (DTP), LLC*
Fluor/Uberior(Lloyds)/John Laing

**Design/Build Contractor**
Fluor / BBRI

**Rolling Stock Supplier**
Hyundai-Rotem USA

**Operations & Maintenance Contractor**
Fluor / BBRI / ACI
P3 Lessons Learned

- Hire a project director with extensive P3 experience
- Get a solid financial consultant
- Hire an experienced legal team
- Create an internal Management Steering Committee and sub-committees to develop various parts of the RFP
- Release an RFQ first and short-list qualified teams
- Seek input from experienced third parties – learn from previous experience
- Keep Board and community informed
• Prepare a Draft RFP and conduct a detailed industry review
• Set a schedule that includes time to work through issues
  – Communicate with proposing teams early and often
  – Hold team members to deadlines and military silence
  – Have all team members involved in the procurement process sign confidentiality agreements
• Focus on performance standards rather than detailed requirements
P3 Lessons Learned (cont.)

- Wrap up railroad agreements as soon as possible

- Give bidding teams the opportunity to propose Alternative Technical Concepts for staff review and approval prior to submission of final proposals

- Allow key stakeholders to participate in the evaluation process

- Hold outreach events for the bidding teams to network with small and disadvantaged businesses

- Be open and transparent throughout the process
Regional Workforce Initiative Now (WIN) – Job Stimulus

- RTD developed the WIN program to accommodate the need for workforce development in the region.
- Regional collaborative partnership
  - Leverages existing training providers to identify, assess, train and place community members into careers on transportation and mixed-use development projects
  - Grow the local workforce
  - Strengthen the community
- Moving forward, construction projects of other partnering agencies will help create jobs that will continue to build our workforce and our communities
- RTD was awarded $486,465 for the WIN program
  - Jumpstarts the WIN program to provide employment opportunities created by current transportation investments
Questions?

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