

TEXAS TRANSPORTATION COMMISSION

COLLIN AND DENTON Counties

MINUTE ORDER

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DALLAS District

In Minute Order 109980, dated February 24, 2005, the Texas Transportation Commission (commission) authorized and directed the Texas Department of Transportation (department) to issue a request for competing proposals and qualifications (RFQ) for the development, design, construction, financing, maintenance and operation of the SH 121 toll project from Business SH 121 to US 75 in Collin and Denton Counties, as well as other potential facilities to the extent necessary for connectivity and financing, pursuant to a comprehensive development agreement (SH 121 toll project).

On March 25, 2005, the department issued the RFQ and determined that four of the proposing teams submitting qualification submittals in response to the RFQ were qualified to be on the short list of teams that will be requested to submit detailed proposals for the project. The department anticipates issuing a request for detailed proposals (RFP) in July 2006. Title 43, Texas Administrative Code, §27.4(e) requires commission approval to issue the RFP.

When the RFQ was issued, the portion of the SH 121 toll project from the Dallas North Tollway to US 75 had not been included in the metropolitan transportation plan as a toll project by the Regional Transportation Council (RTC), the metropolitan planning organization within whose boundaries the SH 121 toll project is located. The Denton County portion of the project, from Business SH 121 to the Dallas North Tollway, had previously been included in the metropolitan transportation plan as a toll project.

On February 9, 2006, the RTC adopted Resolution R06-04, reaffirming its position that the department pursue a comprehensive development agreement for the SH 121 toll project in Denton County.

In February and March, 2006, the department sent letters requesting the RTC's input and recommendations regarding business terms to be required in the comprehensive development agreements (CDA) used to develop transportation projects in the Dallas-Fort Worth region. The RTC, after a series of public hearings, passed a resolution on April 13, 2006, approving recommendations for key business terms for the SH 121 toll project, including toll rates, toll escalation and the distribution of guaranteed payments, with 75 percent paid up front and 25 percent over time.

The RTC's April 13th resolutions also support use of a CDA for the SH 121 toll project, invites the North Texas Tollway Authority (NTTA) to submit a public sector alternative for the SH 121 toll project, includes the Collin County portion of the project in the metropolitan transportation plan as a toll project, and provides that the private sector proposals will be compared with the public sector alternative based on the same objective evaluation criteria.

In response to the department's May 2006 request, the RTC, during its June 15, 2006 meeting, recommended evaluation criteria and weighting to be included in the RFP, to be used to select the best value private sector CDA proposer and for the comparison of the best value private sector CDA proposal and the public sector alternative submitted by NTTA. The price criterion, consisting of the guaranteed payments paid 75 percent up front and 25 percent in equal annual payments over time, would comprise 80 percent of the evaluation score. The duration of the construction schedule and the project development plan (including the project management approach, quality management approach, and technical solutions) would each comprise 10 percent of the evaluation score.

On June 21, 2006, the NTTA Board of Directors adopted a resolution directing staff to prepare a public sector alternative for the SH 121 toll project for NTTA Board approval prior to submission to the department.

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IT IS THEREFORE ORDERED by the commission that the comparison between the best value proposer, selected after the department's evaluation of CDA proposals submitted in response to the request for proposals for the SH 121 toll project, and the public sector alternative submitted by the NTTA, will be based on, as recommended by the RTC, (1) the highest net present value of guaranteed payments to the department, which will be based on the key business terms set by the RTC, with 75 percent of total payments being in the form of an upfront payment and 25 percent of the total payments being a guaranteed, constant annual payment (escalated at an assumed rate of inflation) over the term of the lease, (2) the duration of the construction schedule, and (3) the project development plan, with the weightings of those criteria being 80 percent-10 percent-10 percent, respectively, as recommended by the RTC.

IT IS FURTHER ORDERED that to promote fairness and maximize competition, the NTTA will submit its public sector alternative for the SH 121 toll project on equivalent terms as the private sector CDA proposals submitted in response to the request for proposals, no later than the date the private sector CDA proposals are due.

IT IS FURTHER ORDERED that the department review the NTTA's submittal to ensure it conforms to all requirements in the RFP or equivalent terms approved by the department, without deviations or exceptions. A non-conforming submittal shall not be considered.

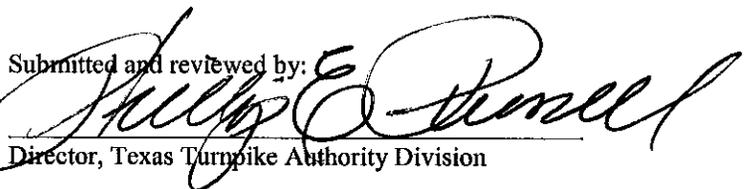
IT IS FURTHER ORDERED that the department select an apparent best value CDA proposer for the SH 121 toll project, and that the department then compare the best value CDA proposal for the SH 121 toll project with the NTTA's submittal, based on the criteria set out in the RFP, to determine which alternative provides the best overall value to the region.

IT IS FURTHER ORDERED that the department request the staff of the RTC perform its own comparison of the NTTA public sector alternative with the best value CDA proposal based on the criteria set forth in the RFP to determine which alternative provides the best overall value to the region.

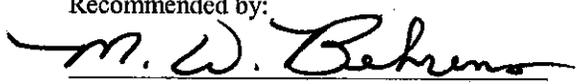
IT IS FURTHER ORDERED that the department submit its recommendations to the commission for approval regarding the selection of the best value CDA proposer and the department and the RTC each submit its recommendation to the commission for approval regarding the best overall value for the development of the SH 121 toll project.

IT IS FURTHER ORDERED that the department is authorized and directed to issue a final request for detailed proposals for the development, design, construction, financing, maintenance and operation of the SH 121 toll project from Business SH 121 to US 75 in Collin and Denton Counties, as well as other potential facilities to the extent necessary for connectivity and financing.

Submitted and reviewed by:


Director, Texas Turnpike Authority Division

Recommended by:


Executive Director

110575 JUN 29 06

Minute Date
Number Passed