

REQUEST FOR INFORMATION

REGARDING THE DEVELOPMENT OF AND PROCUREMENT PROCESS FOR THE

SH 183 MANAGED LANES PROJECT

TEXAS DEPARTMENT OF TRANSPORTATION

RFI Issuance Date: November 1, 2011

RFI Closing Date: February 29, 2012

The Texas Department of Transportation (“TxDOT”) is seeking information to assist TxDOT, working in cooperation with regional transportation providers and local governments, in developing a strategy for project development and implementing the procurement process for the SH 183 Managed Lanes Project (“Project”). This Request for Information (“RFI”) is issued solely to obtain information to assist TxDOT on an administrative level. It does not constitute a Request for Qualifications (“RFQ”), a Request for Proposals (“RFP”) or other solicitation document nor does it represent a commitment to issue an RFQ or an RFP in the future. This RFI does not commit TxDOT to contract for any supply or service whatsoever. TxDOT will not pay for any information or administrative cost incurred in response to this RFI. Responses to this RFI are due on February 29, 2012.

1. OVERVIEW

During the recent legislative session, TxDOT was provided with authority under Senate Bill 1420 to develop certain projects through public-private partnership (P3) agreements under Texas Transportation Code Section 223.201, including the Project, as well as the 99 (Grand Parkway), SH 249, SH 288 and US 290 projects in the Houston area, and the North Tarrant Express and IH 35E projects in the Dallas/Fort Worth area. TxDOT intends to expeditiously pursue the development of these projects - working with stakeholders, the public and the private sector to deliver these projects to meet urgent transportation needs in the State of Texas.

A. Purpose of RFI

This document is a Request for Information (RFI) from individual firms or teams with experience in developing and/or financing large transportation infrastructure projects that may be interested in designing, building, financing, operating and / or maintaining the Project. Prospective industry participants are encouraged to review TxDOT’s policy regarding organizational conflicts of interest in Title 43 of the Texas Administrative Code, Chapter 27, Subchapter A, § 27.8. Amendments to this policy were adopted by

the Texas Transportation Commission on August 25, 2011 and became final on September 15, 2011.

The purpose of this RFI is to inform potential respondents of this opportunity and solicit private sector interest and innovation in the delivery of the Project. Specifically, the RFI seeks to:

- Provide general background information related to the Project.
- Communicate to potential private sector partners the objectives for the development of the Project
- Provide an opportunity for potential respondents to articulate their interest in participating.
- Solicit input from industry on a variety of issues, including scope and phasing of the proposed Project and the delivery method that would have the greatest potential to satisfy the objectives for the Project.

The information gathered from the RFI will be used to assist TxDOT with the preparation of any resulting RFP and P3 agreement for the proposed Project. Submissions will be reviewed to assist in refining the approach to Project development, including the scope and structure of any P3 agreement(s). By responding to this RFI, you can provide valuable input and help shape the framework for the development of the Project.

Please note that while a response to this RFI is not a pre-requisite to participating in any resulting procurement process, potential respondents are encouraged to respond to the RFI.

Due to uncertainty regarding primacy for the development of the Project, specifically, the applicability of the primacy process requirements in new Chapter 373, Transportation Code, added by S.B. 19, 82nd Legislature, Regular Session, 2011, TxDOT requested that the North Texas Tollway Authority (NTTA) confirm its previous decisions to waive the NTTA's option to develop, construct, finance, and operate the Project. TxDOT's June 21, 2011 letter requesting confirmation of the NTTA's previous waivers and the NTTA's July 11, 2011 response are on the Project website. TxDOT does not intend to issue an RFQ until primacy issues have been resolved.

B. Industry Meetings

After receipt and analysis of the responses to the RFI, TxDOT intends to hold one-on-one meetings with respondent companies capable of leading developer teams to discuss their responses to the RFI. During the one-on-one meetings developers will provide their analyses regarding the optimal project development approach for achieving the objectives for the Project. (See Section 2.B.) The one-on-one meetings will be held in Austin or Dallas in March 2012 and will be assigned on a first come, first served basis. TxDOT will notify interested developers of the assigned timeslot and location for the one-on-one meeting in advance of the meeting. **Parties interested in**

attending a one-on-one meeting regarding the SH 183 Managed Lanes Project must clearly indicate their interest in participating in a meeting in the cover letter accompanying their response to the RFI.

2. PROJECT DETAILS

A. Project Description

The Interstate SH 183 (Airport Freeway) Corridor in the west portion of Dallas County and east portion of Tarrant County is one of the most highly congested and mobility constrained corridors in the region. It has retained its basic configuration for through lanes since the late 1970's, with reconstructions that include major interchange revisions at SH 360, removal of the airport freeway runway tunnel, a DFW airport interchange addition at International Parkway and the addition of the SH 161 interchange. However, although adjacent development has increased, the end conditions to the west near SH 161 in Tarrant County and the east end condition located near the prior location of Texas Stadium at Loop 12 and SH 114 (known as the "Diamond") have remained unchanged.

The proposed project construction is approximately 6.7 miles in length, and is comprised of the Middle segment (5.3 miles) and the East segment (1.4 miles) as shown on the Project map (next page). The West segment (2.6 miles) is to be delivered as part of the North Tarrant Express Segment 2E, the Diamond Interchange segment managed lanes (1.7 miles) is excluded from this SH183 project, and the Pegasus and Trinity segment (.5 miles) is being delivered as part of the Project Pegasus and Trinity Parkway. The majority of the corridor currently has three controlled access general purpose lanes in each direction paralleled by continuous two lane frontage roads over much of the length. The proposed Project is planned to include four to five controlled access general purpose lanes in each direction as well as continuous frontage roads of two to three lanes in each direction, including a frontage road crossing of the Elm Fork of the Trinity River. The addition of two to three managed lanes in each direction is planned as part of the proposed Project. The managed lanes will allow users to select a priced option to minimize and guarantee their travel time along the corridor. Managed Lane pricing will be carried out in compliance with the Regional Transportation Council's Policies for Managed Lane Operations. The policy includes the use of dynamic pricing (prices adjusted based on real time traffic conditions) to maintain a minimum average corridor speed of 50 mile per hour travel on the managed lanes and price reductions for vehicles meeting the regional policy for High Occupancy Vehicle status of two or more passengers. A complete copy of the Regional Transportation Council's Managed Lanes Policies is at the following website:

<http://www.nctcog.org/trans/committees/rtc/index.asp>.

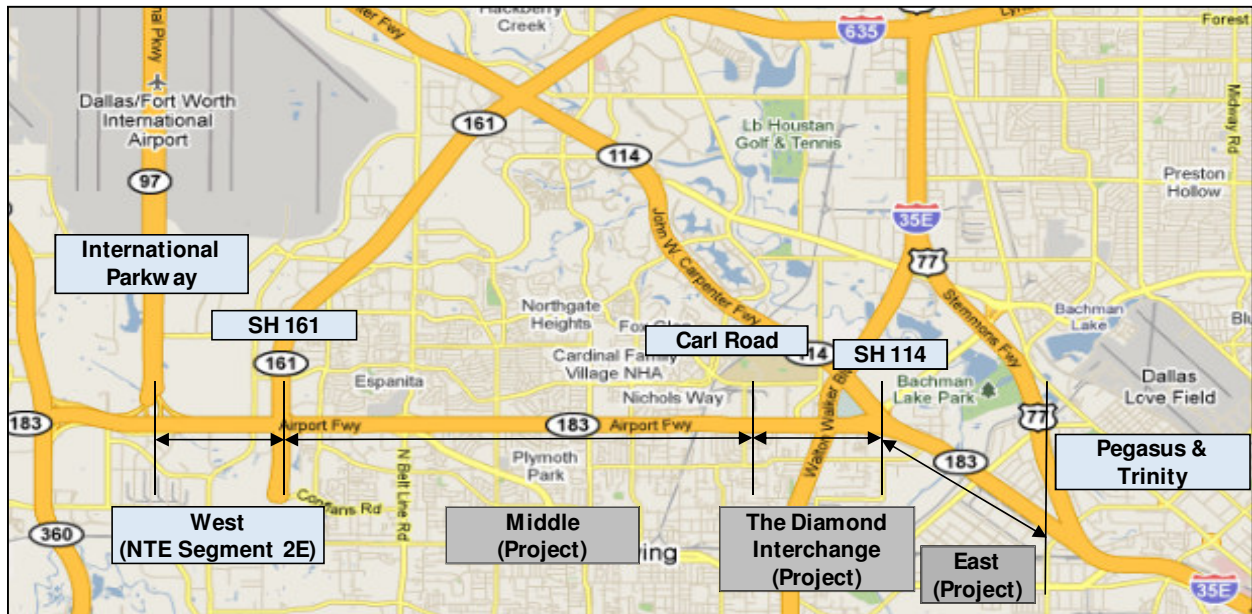
The Level 2 Traffic and Revenue analysis for the Project includes the revenue for the Project and that for the managed lane facilities on SH 183 within the Diamond Phase 2 and the Project Pegasus/Trinity Parkway segment. The length of the tolled facility,

including the Diamond and the Project Pegasus/Trinity Parkway segment, is approximately 8.9 miles.

The environmental re-evaluation limits extend beyond the Project, and include SH 183 Managed Lanes from SH 360 to Empire Central west of IH 35E near Mockingbird Lane. The project segments are described in Figure 1.0 as listed and tabulated below.

Segment	Segment Description	Segment Length
West	SH 360 to SH 161	2.6 miles
Middle	SH 161 to Carl Road	5.3 miles
Diamond	West of Loop 12 to SH 114	1.7 miles
East	SH 114 to Empire Central	1.4 miles
Pegasus & Trinity	Empire Central to West Mockingbird Lane	0.5 miles

Project Map



Estimated Construction Costs (\$2011 MM)	
	Ultimate
Surfacing and Drainage	\$ 212.9
Roads - Signage and Lighting Fixture	16.1
Concrete Foundation, Poles and Pylons	4.6
Grading and fill - Turf & Landscaping	80.4
Noise Walls and Buildings	21.6
Bridges	451.0
Electronic Tolling Assets	10.2
Utilities	46.1
Development Costs	97.8
Total	\$ 940.7

* Costs do not include ROW, The Diamond Interchange or Pegasus Project

1. Ongoing work is occurring in several places on the Project
2. Early Action Frontage Road (currently being constructed by TxDOT):
 - EB from west of Story Road to west of MacArthur (1.5 miles)
 - EB Sound Wall (approximately 4,275 ft)
 - WB Sound wall (2,503 ft)

ROW acquisition is continuing in portions of the Project for which environmental clearance has been obtained.

Phase 1 of the SH 114 and Loop 12 project is under construction to facilitate the completion of the DART Orange Light Rail line between Bachmann Station and Irving convention Center Station. This length of the Orange line is due to open in July 2012.

Additional information, including Project schematics, approved environmental documents, traffic and revenue data and various other Project specific documents may be found on the Project website at http://www.txdot.gov/project_information/projects/dallas/sh183/.

B. Objectives for the Project

The goals for this Project are to improve the SH 183 corridor throughout the Project limits in a logical, systematic and efficient manner to:

- Facilitate the replacement of existing infrastructure that has reached or exceeded its design life;
- Add additional capacity to an extremely congested corridor;
- Utilize pricing as a mechanism to operate and fund parts of the Project; and
- Provide an additional link in the growing managed lane network to offer transportation options for optimizing mobility and financial viability.

C. Status of Key Approvals and Project Development

The entire SH 183 Project received a Finding of No Significant Impact (FONSI) on February 10, 2004; however, the scope included 3 reversible Managed Lanes. It was determined that two managed lanes in each direction was a better solution. The schematics and Re-Evaluated Environmental Assessments (EAs) for the entire Project have been prepared for this new configuration. The project has been incorporated into the approved Mobility 2035 plan. It is anticipated that the full NEPA review for the Project will be completed in early 2012. PS&E for the SH 183 Interchanges at Loop 12 and SH 114 (Diamond Interchange) were outsourced and final design work is underway. No funds have been identified for construction of these interchanges.

The City of Irving desires construction of the Early Action Frontage Road segments in the location of large right of way parcels so that the proposed frontage road can be placed in its final position. The Dallas District of TxDOT has prepared and completed the PS&E package for Project 1, which is currently under construction.

Project 1: Under construction:

- SH 183 EBFR's from west of Story Road to west of MacArthur (1.5 Miles)
- Construct Eastbound Frontage Road and Sound Walls (0094-03-105)
- \$7,111,156 Construction Cost
- Let in August 2010 (approximately 40% complete)
- Estimated completion August 2012

In addition, the Trinity Parkway, according to Mobility 2035, is anticipated to open to traffic in 2014. There may be a need to review and accelerate the SH 183 segment from the Trinity Parkway to the SH 114 interchange to prevent a bottleneck of Trinity Parkway traffic exiting the Trinity/entering SH 183. The interchange projects at Loop 12 and SH 114 (Diamond Interchange) could be ready to accept this influx of traffic provided these interchanges or phased portions of them are let to construction in the near future.

Although the corridor is going through the environmental assessment re-evaluation process (see below), in areas where the proposed right of way impacts are unchanged by the concurrent managed lane redesign, TxDOT has continued with right of way acquisition.

Following FHWA approval of the re-evaluated environmental documents, right of way acquisition will commence in areas of the corridor affected by the re-design. The goal will be for TxDOT to complete all right of way acquisition prior to commercial close.

D. Tolling Considerations

Tolling for the Project will be in accordance with the Managed Lanes Policies adopted by the Regional Transportation Council. The Project will employ barrier-free electronic tolling (ETC) and video tolling and will include HOV discounts in accordance with the Managed Lanes Policies. The Regional Transportation Council's Managed Lanes Policies is at the following website:

<http://www.nctcog.org/trans/committees/rtc/index.asp>.

E. Project Delivery Methodology

A P3 agreement is an agreement between TxDOT and the private sector that, at a minimum, provides for the design and construction, rehabilitation, expansion, or improvement of a tolled project and may also provide for the financing, acquisition, maintenance, or operation of a tolled project. In general, TxDOT is considering developing the initial Project under one or more of the following models:

- a full concession,
- an availability payment structure (as described below) or
- a design/build agreement or design-bid-build agreements with traditional tax exempt toll revenue bonds.

Under an availability payment structure, TxDOT would make milestone and/or availability payments to compensate the developer for capital costs, operating/maintenance costs and financing costs, including a return on equity. Payments would be subject to deductions due to a failure on the part of the developer to comply with prescribed standards.

The sources of funding for availability payments may be structured as follows:

- Project toll revenues as the first source of payment. The Project toll revenues would be committed for satisfaction of the payment obligations and allocated first to the financing cost components of the availability payment, including interest cost and return on equity; and

- If toll revenues are insufficient, funding would be made from the State Highway Fund, including receipts from constitutionally dedicated fees and taxes. This funding source is subject to appropriation and to legal limitations on use. Eligible costs payable from this funding source consist of costs of construction, other capital expenditures including Project capacity improvements, major maintenance expenses, costs for operation, maintenance and repair, consumables and similar costs. Financing costs, including return on equity are not an eligible cost to be paid from these funds.

F. Current Procurement Schedule

TxDOT currently anticipates procuring any P3 agreement for the SH 183 Managed Lanes Project in accordance with the milestones in the following chart:

Milestone	Anticipated Duration Between Milestones
1. Issue RFI	n/a
2. Responses to RFI Due	17 weeks
3. One-on-one meetings	2 – 4 weeks
4. Issue Request for Qualifications (RFQ)	2 months
5. Proposer submission of Qualification Statements in response to RFQ	2 months
6. TxDOT issues short-list of proposers eligible to submit detailed proposals	1 month
7. TxDOT issues draft RFP to short-listed proposers	3 days
8. Industry review meetings - a series of one-on-one meetings with short-listed proposers	5 weeks
9. TxDOT issues final RFP to short-listed proposers	1 month
10. Proposer submission of Proposals in response to RFP	4 months
11. TxDOT selection of preferred proposer/conditional award of P3 agreement	6 weeks

TxDOT reserves the right to modify the above anticipated durations at any time and for any reason.

3. INFORMATION REQUESTED

TxDOT is interested in your views on our current Project phasing and anticipated Project delivery methodology. In responding to this RFI, TxDOT asks parties to submit their perspectives on as many of the following issues as possible. Please number the answers to match the question numbers below. In addition, please provide point of contact information, an indication of your interest in participating in a 1-on-1 meeting, and a brief (no more than 3 page) summary of your organization and your previous experience with large transportation-related procurements and other relevant qualifications.

A. Project Scope and Phasing

- A1. Based on the technical information provided to date, do you see any preliminary value engineering opportunities for the Project that **would not** impact the environmental approvals?
- A2. Without the current environmental constraints, are there any additional preliminary value engineering opportunities that would enhance the feasibility of the Project? If so, would you be willing to assume the risk of securing any additional environmental approvals?
- A3. If the full scope of the Middle and East segments is not deemed financially feasible (see Question B4), please provide potential ideas on scope reduction, revised Project limits or phased delivery that would improve feasibility. Would these ideas preclude implementation of the scope in the environmental documents following the CDA period?
- A4. If the Project is built in phases, e.g. Defer the 4th general purpose lanes, in what year or time horizon would traffic volumes warrant the addition of the additional general purpose lanes to maintain traffic speeds in the managed lanes in accordance with the RTC's Managed Lanes Policies?
- A5. Given the constrained nature of the Project and the 2035 Regional Mobility Plan are there any other regional projects that could be accelerated or combined with the Project to enhance the feasibility of this Project?

B. Delivery Methodology

- B1. TxDOT is considering using one of the delivery models described in Section 2.E. above to deliver the Project. Please identify the benefits and disadvantages of each delivery model in achieving the objectives for the Project. Do you see any impediments to the success of any of the models? What are proposed solutions for overcoming any identified impediments?

- B2. Which delivery method for the proposed Project do you believe will be the most successful in achieving the stated objectives for the Project? To the extent possible, please provide detail on how this delivery method would best achieve stated objectives.
- B3. Provide your preliminary views on the financing tools that you would propose to utilize for the Project and the amount of time you believe would be required to reach financial close after award by the Commission. Based on your anticipated financing structure, what impediments, if any, would prevent you from reaching financial close in a timely manner and how would you propose to overcome these impediments?
- B4. Under the delivery model you recommend in response to Question B2, would the initial phase of the Project identified in your response to Question A3 be financially feasible without TxDOT support? If not, what level of support would be required?
- B5. Are there different combinations of delivery models and phasing that could be implemented to enhance the feasibility of the project?

4. CONFIDENTIALITY/PUBLIC INFORMATION ACT

Respondents are advised that any responses TxDOT receives to this RFI will be made available to stakeholders and the public and may be posted on TxDOT's website. Each respondent firm, by submitting a response to this RFI, consents to the disclosures described in this RFI and all other disclosures required by law, and expressly waives any right to contest, impede, prevent or delay such disclosure, or to initiate any proceeding that may have the effect of impeding, preventing or delaying such disclosure, under Section 223.204 of the Code, the Rules, the Public Information Act or any other law relating to the confidentiality or disclosure of information. Under no circumstances will TxDOT be responsible or liable to a respondent or any other party as a result of disclosing any such materials.

5. GENERAL INFORMATION

RFI Issuance Date: November 1, 2011

RFI Closing Date: February 29, 2012

One-on-One meetings: March 2012

Page limits: While there is no page limit to the response to questions in Section 3, any other information, including marketing materials is limited to 3 pages.

Format: Please provide five paper copies and one complete electronic copy (in a searchable format) of your response to the RFI to the Point of Contact listed below.

Questions: Questions regarding this RFI should be in writing and e-mailed to the Point of Contact listed below. TxDOT will post responses to questions on the Project website without identifying the party(ies) submitting the questions. Responders are encouraged to submit any questions to the Point of Contact below prior to February 3, 2012.

Project Website and Addenda: TxDOT will post any addenda to the RFI on the Project Website. It is the respondents' responsibility to monitor the Project Website on a regular basis for updates, questions and responses, addenda, and additional Project documents and information. The project website is http://www.txdot.gov/project_information/projects/dallas/sh183/.

Point of Contact:

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TxDOT reserves the right to modify the above anticipated schedule milestones at any time and for any reason.

At its option, TxDOT may also elect to follow-up directly with respondents with more detailed questions or to clarify submissions.