

# **SH 183 Managed Lanes Project SB 1420 Committee**

## **Procurement Update and Discussion**

November 27, 2012  
City of Irving

# Agenda

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- ❑ 1. Welcome
- ❑ 2. Introductions
- ❑ 3. Approval of Minutes from June 21, 2012 meeting - **ACTION ITEM**
- ❑ 4. Update and Discussion on the SH 183 Managed Lanes Project Procurement
- ❑ 5. Adjourn - **ACTION ITEM**

# 1. Welcome

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Welcome to the SH 183 Managed Lanes  
Project meeting of the SB 1420  
Committee

Thank you City of Irving

## 2. Introductions

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- ❑ Michael Morris (Chair) – NCTCOG
- ❑ Alberta Blair (Vice Chair) – Dallas County
- ❑ Elizabeth Mow – NTTA
- ❑ Bill Hale – TxDOT
- ❑ Ramiro Lopez – City of Irving
- ❑ Rick Galceran – City of Dallas

# 3. Approval of Minutes

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- ❑ Approval of Minutes from June 21, 2012 (***Attachment 3.1***)

## **ACTION ITEM**

# 4. Project Map – DFW AREA TOLL PROJECTS



# 4. SH 183 Project History

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<b>2004 – 2005</b>	Unsolicited proposal and evaluation process
<b>2005</b>	Original FONSI received
<b>2005 – 2006</b>	Design Modifications to the original Plan
<b>2007 – 2011</b>	CDA moratorium
<b>2005 – 2012</b>	ROW acquisitions
<b>2009 – 2012</b>	Construction of Diamond Phase 1
<b>2010 – 2012</b>	Construction of Early Frontage Road Projects
<b>September 2011</b>	CDA moratorium lifted
<b>April 2012</b>	Environmental re-evaluation cleared
<b>August 2012</b>	Procurement officially begins

# 4. SH 183 Funding Summary

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<b>Ultimate Configuration Costs</b>	<b>\$2,212 M</b>
<b>Less Expended Costs</b>	<b>\$442 M *</b>
<b>Remaining Costs</b>	<b>\$1,780 M</b>
<b><u>Less New Funds</u></b>	<b><u>\$206 M *</u></b>
<b>Ultimate Configuration Shortfall</b>	<b>\$1.6 B</b>

**\* *Total Corridor Public Funds \$648 M***

- Ultimate Configuration is cost prohibitive**

NOTE: Expended Costs include ROW purchased to date, Diamond Phase 1, early FR and Sound Wall Projects  
All values in nominal terms



# 4. SH 183 Procurement Update

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- ❑ Request for Information issued November 1, 2011
  
- ❑ RFI one on ones in May 2012
  
- ❑ SB 1420 Committee issued its final report June 21, 2012
  - TxDOT moves forward with Toll Concession delivery
  
- ❑ Request for Qualifications issued August 10, 2012
  
- ❑ One-on-One Meetings October 2-5, 2012
  - Meetings with 7 potential proposers
  
- ❑ Statement of Qualifications due October 29, 2012
  - 1 Qualification Statement received

# 4. Industry Feedback

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## Obstacles Raised

- ❑ Perceived competitive barriers to entry related to:
  - Construction costs – Mobilization cost
  - O&M efficiencies – Project size an issue
  - Control of toll revenues – Other operators in area
- ❑ Reluctance to assume revenue risk
- ❑ Cost of preparing proposals

## Potential Solutions

- ❑ Larger concession
- ❑ Alternative delivery methods
- ❑ Higher Stipend

# 4. Procurement Options

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- TxDOT is currently evaluating 3 options:

Option 1 - Continue procurement with single proposer – Toll Concession

Option 2 - Revise SH 183 delivery method – Design-Build or Pass Through Finance

Option 3 - Increase project scope/create larger project – Toll Concession

# 4. Continue Procurement

## Option 1 – Single Proposer

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- ❑ Lacks competitive tension
  - Single proposer contract issues
  - Lacks diversification
- ❑ Negotiations can be lengthy
  - May not reach agreement

# 4. Revise Delivery Method

## Option 2 - Design-Build/TELA or Pass Through Finance

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- ❑ New Request for Qualifications
- ❑ Market has more familiarity
- ❑ Public sector retains O&M and lifecycle for DB, transfers for PTF
- ❑ Public sector retains traffic and revenue risk for DB, shares for PTF
- ❑ Requires additional public funds

# 4. Revise Project Scope

## Option 3 - Larger Toll Concession

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- ❑ New Request for Qualifications
  
- ❑ Schedule impacts
  - Legislative action
  - MTP update
  
- ❑ Likely attracts more proposers
  - Addresses market barriers
  - Delivers more facilities
  
- ❑ Requires additional public funds

# 4. Funding Illustration

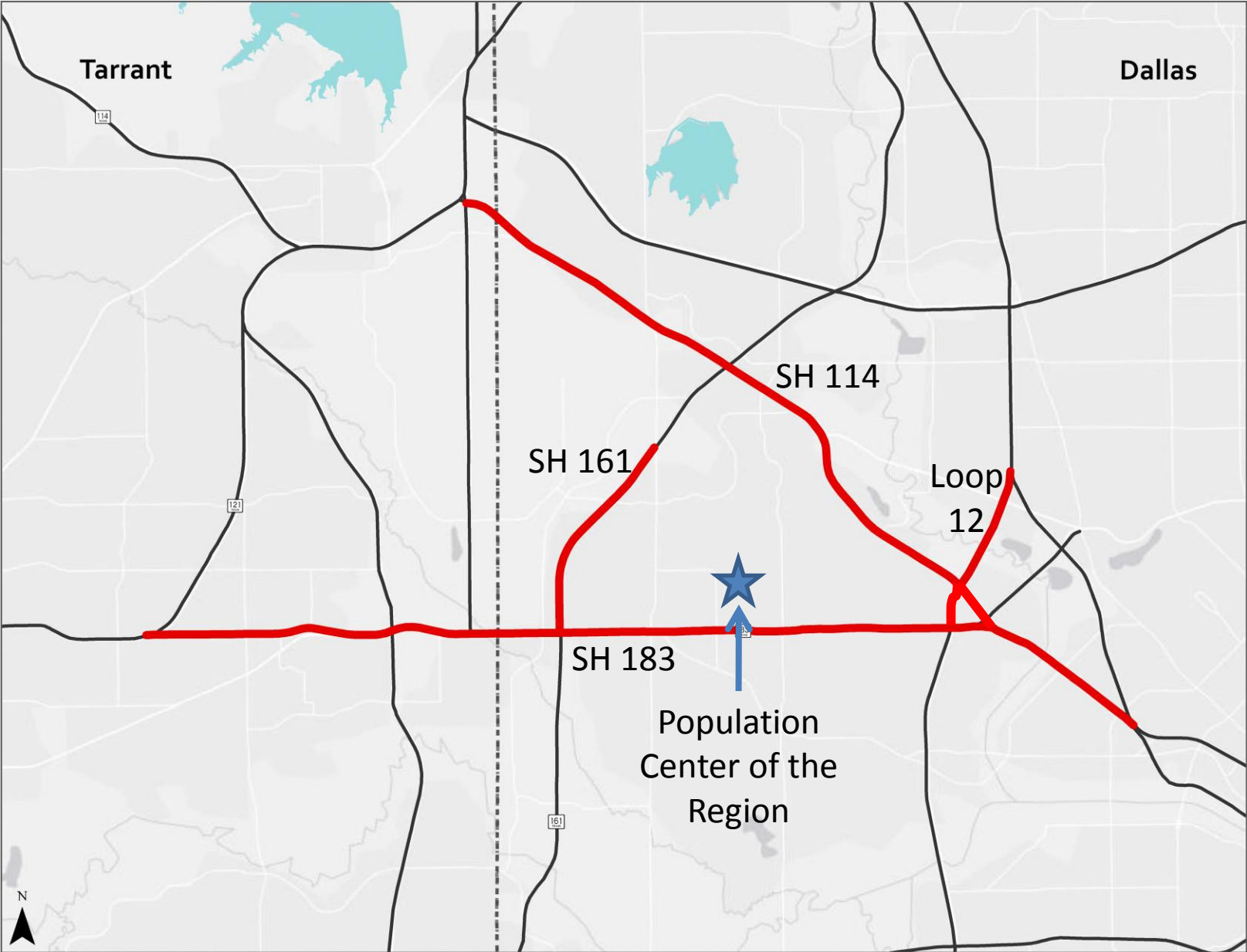
	Option 1	Option 2			Option 3
(\$millions nominal)	SH183 Concession (2 Phase)	SH183 DB/TELA (2 Phase)	SH183 (2+2) DB/TELA	SH183 PTF (2 Phase)	SH183 + NTE 2E + SH114 Concession
Phase 1 – Cost	\$550	\$550	\$828	\$550	\$1,559
Phase 2 – Cost	\$430	\$430	n/a	\$430	\$1,192
Phase 1 construction subsidy	(\$82)	(\$425)	(\$654)	(\$760)	(\$526)
Phase 2 construction subsidy	\$0	(\$143)	n/a	(\$427)	\$0
<b>Total Subsidy Requirements</b>	<b>(\$82)</b>	<b>(\$568)</b>	<b>(\$654)</b>	<b>(\$1,187)</b>	<b>(\$526)</b>

# 4. Estimated Procurement Schedules

	Option 1	Option 2			Option 3
	SH183 Concession (2 Phase)	SH183 DB/TELA (2 Phase)	SH183 (2+2) DB/TELA	SH183 PTF (2 Phase)	SH183 + NTE 2E + SH114 Concession
Issue RFQ	N/A	Jan 2013	Jan 2013	Feb 2013	Feb 2013
Issue Draft RFP	Feb 2013	April 2013	April 2013	May 2013	May 2013
Issue Final RFP	April 2013	Aug 2013	Aug 2013	Sept 2013	Sept 2013
Conditional Award	May 2014	Jan 2014	Jan 2014	Feb 2014	Feb 2014



# Golden Triangle



# 5. Adjourn

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- Adjourn - **ACTION ITEM**