



## **Fastracks Eagle P3 Overview**

**Phillip A. Washington, General Manager  
Regional Transportation District**

March 14, 2012

# 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

RTD Risk	Concessionaire Risk
<ul style="list-style-type: none"> <li>• Third party change/betterments request</li> <li>• RTD requested changes to project requirements</li> <li>• ROW acquisition</li> <li>• Unforeseen archaeological risks</li> <li>• Errors/omissions in environmental reports</li> <li>• RTD permits</li> <li>• Discriminatory legislative changes</li> <li>• Ridership meeting forecast</li> <li>• Railroad force account work</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet the specified requirements</li> <li>• Design/construction delays</li> <li>• Cost overruns</li> <li>• Additional land requirements</li> <li>• Compliance with environmental requirements</li> <li>• Geological conditions/obstructions</li> <li>• Safety and security</li> <li>• FRA approvals</li> <li>• Accuracy of reference data</li> <li>• Concessionaire permits</li> <li>• Concessionaire or subcontractor default</li> <li>• Final completion</li> <li>• Third party claims</li> <li>• Security during the construction period</li> <li>• Failure to meet operating performance standards</li> <li>• Operation and maintenance costs</li> <li>• Condition of system at the end of concession period</li> <li>• Identified utilities</li> <li>• Compliance with railroad agreements</li> </ul>
<b>Shared Risk</b>	
<ul style="list-style-type: none"> <li>• Non-discriminatory legislative change</li> <li>• Force majeure</li> <li>• Third party design reviews – disputes</li> <li>• Fare evasion</li> </ul>	

# 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

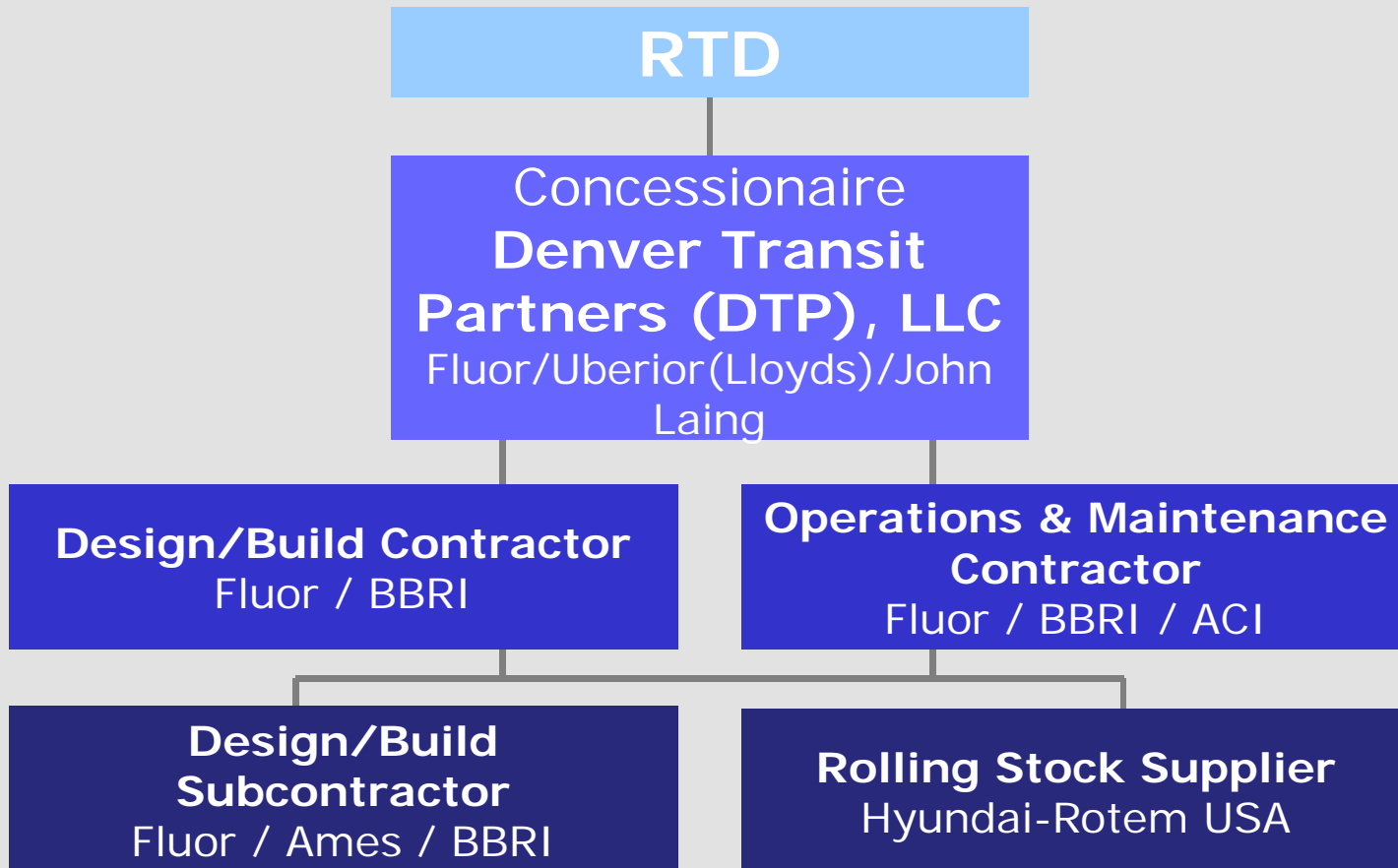


# Eagle P3 Procurement/Implementation Process

- 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



# 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

## P3 Lessons Learned (cont.)

- 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?**

**Brian Middleton**

**brian.middleton@rtd-denver.com**