



CTB RESOLUTION REPORT BACK

J. Douglas Koelemay, Director
October 14, 2014

***A dynamic document, enhanced to ensure transparency,
competition and public engagement***

- 2001, 2005, 2008 - PPTA Implementation Guidelines – six phase evaluation and selection process
- 2010 - PPTA Implementation Manual and Guidelines – MAJOR CHANGE YEAR – four stage project delivery framework
- 2012 – Updated version of 2010 Implementation Manual and Guidelines – edits reflect creation of VAP3, clarifies definitions, emphasizes public engagement

REQUEST FOR COMMENT ON 2012 PPTA IMPLEMENTATION MANUAL AND GUIDELINES

- Over 100 responses from 30-day comment period
- Wide cross section of respondents – businesses, elected officials, MPOs, legal teams and citizens
- Key Take Aways:
 - Responses to the P3 program and processes are almost universally positive
 - Public and stakeholders shared broad suggestions to improve transparency, competition, accountability and public engagement
 - Many specific suggestions are incorporated into our recommendations

UNIVERSALLY POSITIVE RESPONSES TO P3 PROGRAM

- “The 495 and 95 projects have ... provided hundreds of millions of dollars to small, women and minority owned businesses”
- “Without the billions of dollars of private sector support that have been generated for VDOT’s largest projects in recent years, state funds for maintenance and other traditional highway construction projects would have been reduced significantly. This would have hurt my business and those of many other small and medium-sized highway contractors”
- “PPTA does provide a very important way to fund major projects ... particularly important for Hampton Roads given the large number of mega-projects required”
- “PPTA offers an important option for delivering transportation projects in my region that will not be possible without private investment”

BROAD SUGGESTIONS TO IMPROVE TRANSPARENCY, COMPETITION AND ACCOUNTABILITY

- “Maintaining a transparent process will help mitigate the potential for litigation and public opposition”
- “Include adequate oversight and transparency and limit risks to taxpayers and highway users”
- “If there are significant changes to the project scope, size or complexity during the procurement process, the procurement process should be restarted to account for the changes”
- “Encourage transparency, promote competition, and inform legislators on the proposals early in the process”

SPECIFIC RECOMMENDATIONS INCORPORATED INTO THE 2014 PPTA GUIDELINES AND MANUAL

- “Expand the role of the CTB in approvals”
- “Place more CTB members on the PPTA Steering Committee”
- “PPTA Steering Committee meetings open to the public”
- “A project should not be prioritized or advanced to the procurement process unless and until the Oversight Board adds the project to the transportation plan or program”
- “Brief the policy oversight board on major business points of the proposed agreement”

Parties to be notified and briefed upon request after the Oversight Board decision:

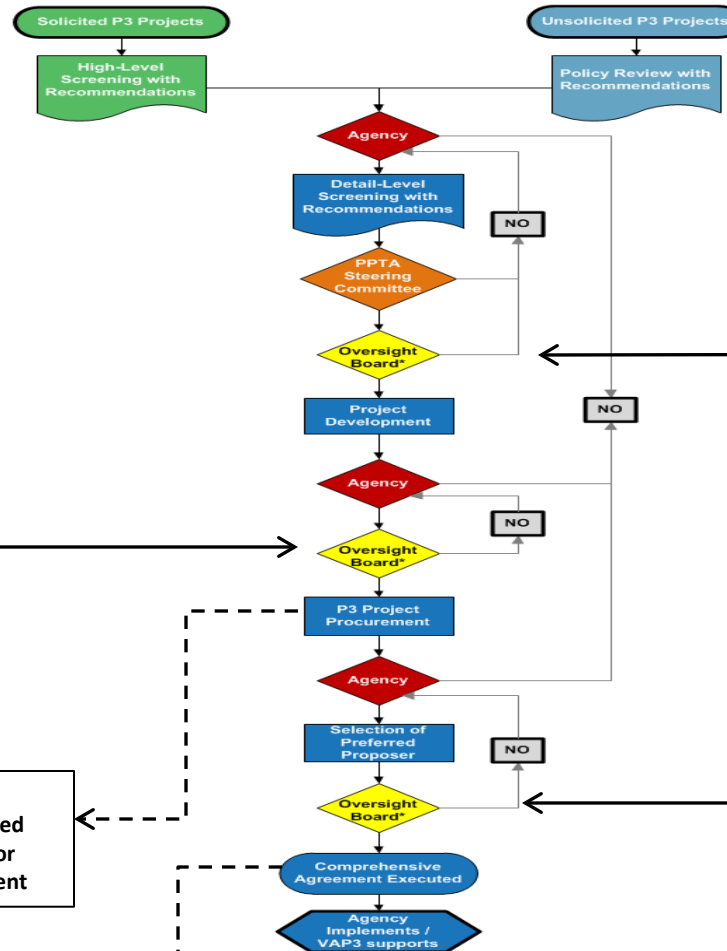
- Chairs of General Assembly committees
- MPO's and regional authorities
- Interested members of General Assembly
- Special interest groups
- Regulatory Agencies
- Public

Briefing Focus:

- RFI results
- Schedule
- Refresh on the high points from Project Development
- Preliminary Procurement documents
- Risk Analysis and Value-for-Money
- Estimated project cost
- Potential public subsidy
- Potential economic benefits
- Preliminary Business Points
- Finding of Public Interest

Draft Contract Documents posted on P3 Website for review & comment

Final Contract Documents posted on P3 Website



Briefing Focus:

- Detail-Level Screening Report
 - Desirability as P3
 - Feasibility as P3
- HB 2 Prioritization
- Duration of P3 development and procurement

Briefing Focus:

- Major Business Points
- Updated Risk Allocation & Management Plan
- Statutory Audit
- Updated Value-for-Money
- Updated economic benefits
- Project bid
- Public subsidy
- Affirmation of Finding of Public Interest

Communication as an active, not passive activity = engagement

- Restructure PPTA Steering Committee to include CTB members, chairmen of House and Senate Transportation Committees and a non-Agency state financial expert
- Give 30 day advance notice of public PPTA Steering Committee meetings
- Increase public engagement opportunities at every stage of P3 process
- Report to CTB at regular meetings on key decisions within the P3 process
- Use CTB meetings as public comment periods to increase public engagement
- Provide notifications and briefings to General Assembly Appropriations, Finance and Transportation Committee Chairs when moving from project screening to project development, from project development to project procurement and before the comprehensive agreement is finalized

A disciplined, consistent process and proven performance in P3s attracts private sector investors and development teams

- Coordinate P3 project development and procurement with the HB2 prioritization process
- Move unsolicited proposals as quickly as possible into the standard competitive P3 project delivery framework
- Initiate additional review of RFQ/RFP to revalidate proposal received if project procurement results in a single response
- Reaffirm that P3 delivery method still brings value if Director or Commissioner determines material change has occurred in project scope or risk allocation
- Prepare Finding of Public Interest document for Secretary of Transportation's signature at the end of project development and again for affirmation before the execution of the Comprehensive Agreement

Private investment in P3s adds a new and instructive consumer/customer voice to the familiar voices of taxpayer, voter and citizen

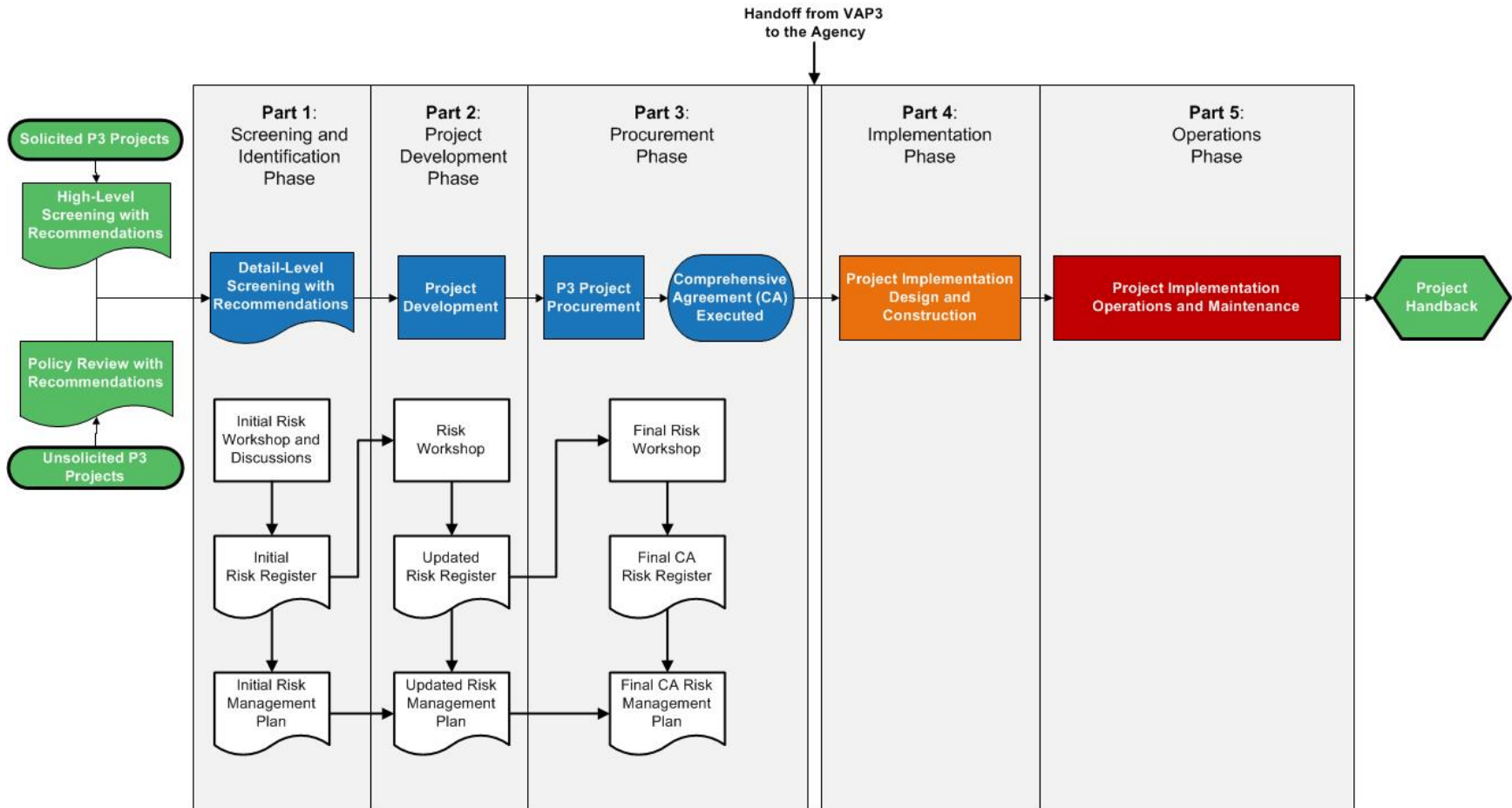
- Expand public members of PPTA Advisory Group to review general trends and potential P3 opportunities
- Include public outreach and engagement communications at every stage of P3 process, including:
 - regular messaging to drive public to website information and documents,
 - notice of local and regional meetings where P3s may be discussed and
 - opportunities to submit public comments on program and projects
- Encourage public comment periods during monthly CTB meetings for key decisions in P3 process
- Complete development of the P3 Public Engagement Guidelines

Oversight board engagement in discussions and decisions on P3 projects anchor both process and projects in the strategic plans of the Commonwealth

- Include two CTB members on the PPTA Steering Committee where VDOT and DRPT are the implementing agencies for P3 projects
- Seek CTB resolution of approval to advance P3 projects from project screening to project development and from project development to project procurement
- Seek CTB approval for inclusion of project in Six-Year Improvement Plan before advancing to project development
- Brief the CTB on the selection of a P3 preferred proposer and major business points prior to commercial close

Best practices in risk assessment, allocation and management are critical for both P3 and Design-Build projects

- VDOT and VAP3 have worked together to strengthen standards and guidelines for addressing risk associated with P3 and DB projects
- P3 Risk Management Guidelines document contains procedures aimed at identifying, minimizing and mitigating risks through stakeholder involvement and development of risk management plan
- New risk certification procedures (certification by VAP3, endorsement, adoption and execution by VDOT) will enhance accountability and responsibility



Implementing these recommendations will improve confidence and trust in the P3 project development and procurement process

- Finalize draft of 2014 Implementation Manual and Guidelines with the following recommendations
 - Continue to accept and consider input from citizens and others
 - Present a resolution at November CTB meeting recommending VDOT and DRPT adopt 2014 Implementation Manual and Guidelines
 - Complete work in first quarter of 2015, on the following programmatic documents to reflect adoption of these recommendations:
 - Risk Management Guidelines
 - Value for Money Guidelines
 - Public Engagement Guidelines

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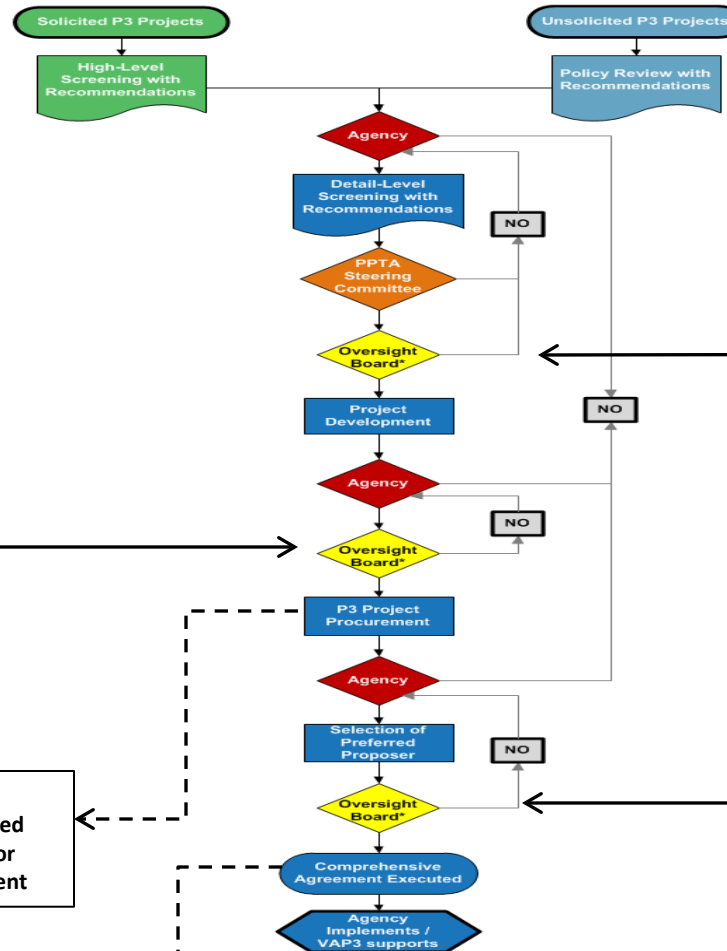
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