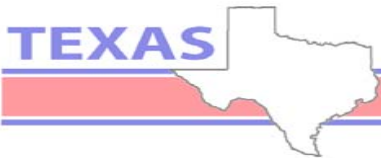


Comprehensive Development Agreements & Public Private Partnerships



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October 20, 2004

Public Private Partnerships:

- **Comprehensive Development Agreements (design-build)**
- **Shared risk**
- **Private sector equity & innovation**
- **One option – concession model**



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PPP's: A New Way of Doing Business

CDAs require a top-down organizational change in thinking and approach

For the right project, CDAs offer many significant advantages over traditional low bid procurement and pay-as-you-go funding

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Public Private Partnerships Goals:

- Minimize public funding
- Maximize private investment
- Encourage innovation & efficiency
- Accelerated project delivery
- Operate like a business
- Share project risks



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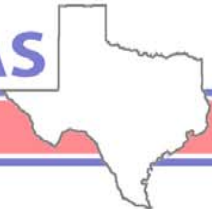
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Texas PPP/CDA Model

- **Must include Design and Construction.**
- **May Include:**
 - Financing and/or Investment
 - Planning Assistance
 - ROW Acquisition Support
 - Maintenance
 - Operation



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Benefits of PPP/CDA:

- Accelerates project through concurrent activities
- Fixes price early in design phase
- Guarantees completion date
- Designates single point of responsibility
- Allocates project risks among parties
- Provides life cycle cost efficiency
- Requires continuous constructability reviews
- Streamlines project administration
- Enhances cost control and risk management

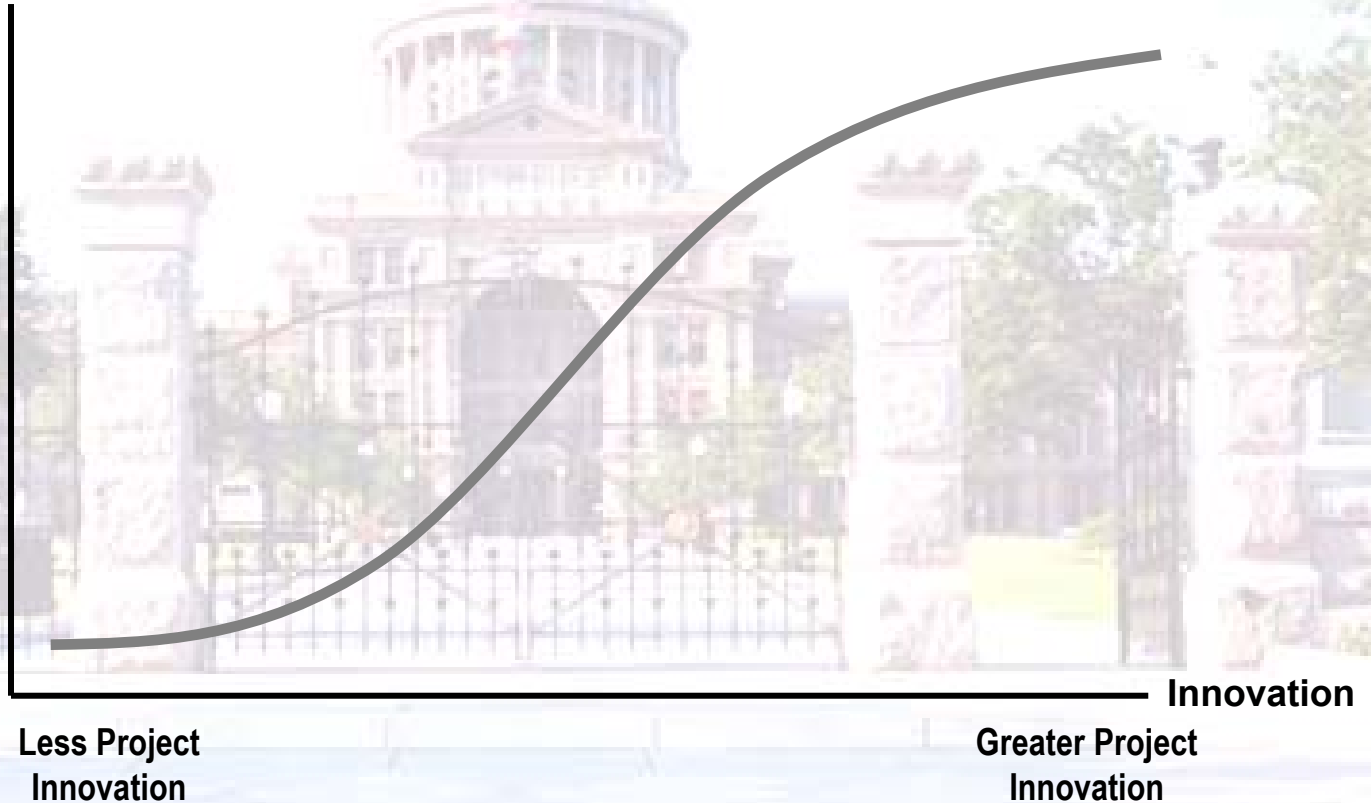


Benefits of PPP/CDA: Innovation

Contract Documents Detail

HIGH - Performance Based (CDA)

LOW - Prescriptive Based (Traditional)



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Review of Overall Process

Solicitation of Qualification

Receipt of Unsolicited Proposal

Evaluation and Commission Action on Whether to Request Competing Qualifications & Authorize Stipend

Solicitation of Competing Qualifications

Determine Short list to Submit Detailed Proposals

Issue RFDP

Evaluation Responses

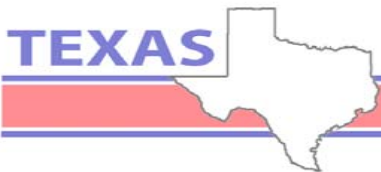
Award Contract

Negotiate CDA Contract

Execute Contract

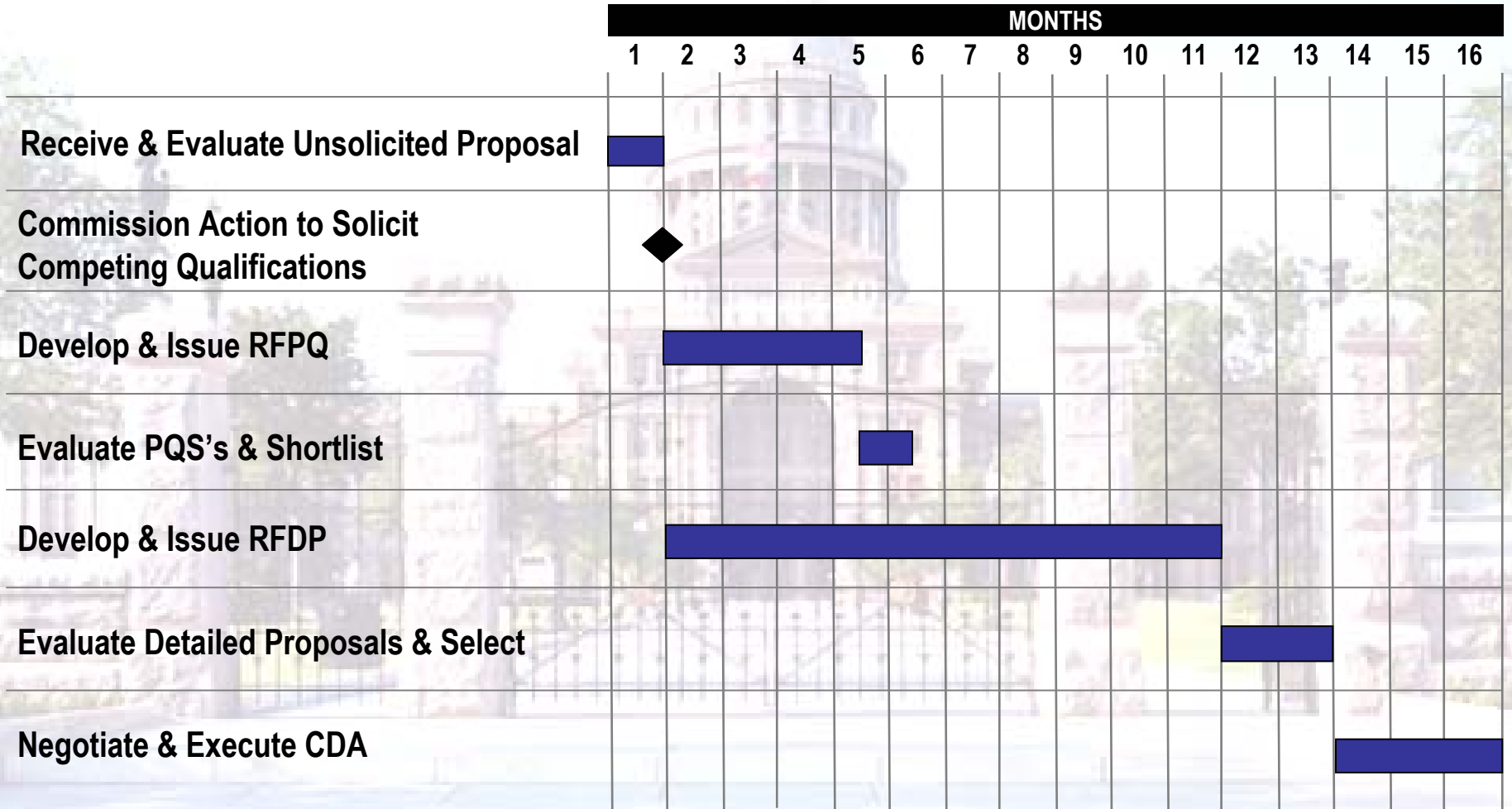
Notice to Proceed

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CDA Schedule Template



Two Options for PPP/CDA Selection Process

- **Solicited Comprehensive Development Agreements**
 - TxDOT initiated
 - Location/project framed by TxDOT
- **Unsolicited Comprehensive Development Agreements**
 - Private sector initiated
 - Location/project framed by unsolicited proposal
- **Both options proceed through two step competitive selection process**

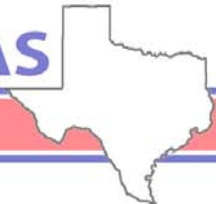


PPP/CDA Selection Process (continued)

- **Two Step Process**
 - RFQ-Request for Qualification
 - RFDP-Request for Detailed Proposal
- **Must be posted in Texas Register and at least one newspaper**
- **Submittal times vary by project**



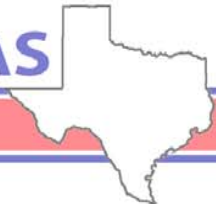
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Choosing the Right CDA Model

Selected Forms	Characteristics	Suitable For:	Examples
Design-Build or Design-Build-Maintain	<ul style="list-style-type: none">▪ One point of responsibility▪ Earlier cost certainty▪ Accelerated delivery▪ Shifting risk away from owner	<ul style="list-style-type: none">• Well defined project that is not fully designed.• Large complex projects	SH 130; SH 45 SE



Choosing the Right CDA Model

Selected Forms	Characteristics	Suitable For:	Examples
<p>Strategic Business Partnership</p>	<ul style="list-style-type: none"> ▪ Early private sector involvement in developing short, mid and long term Corridor strategy ▪ Assists TxDOT in packaging specific facilities for procurement ▪ Some “self-performance” under specific conditions 	<ul style="list-style-type: none"> •Corridor program where project definition, prioritization, packaging and finance would benefit from private sector “bottom line” vision •Mega projects 	<p>I-35 TTC; I-69 TTC</p>

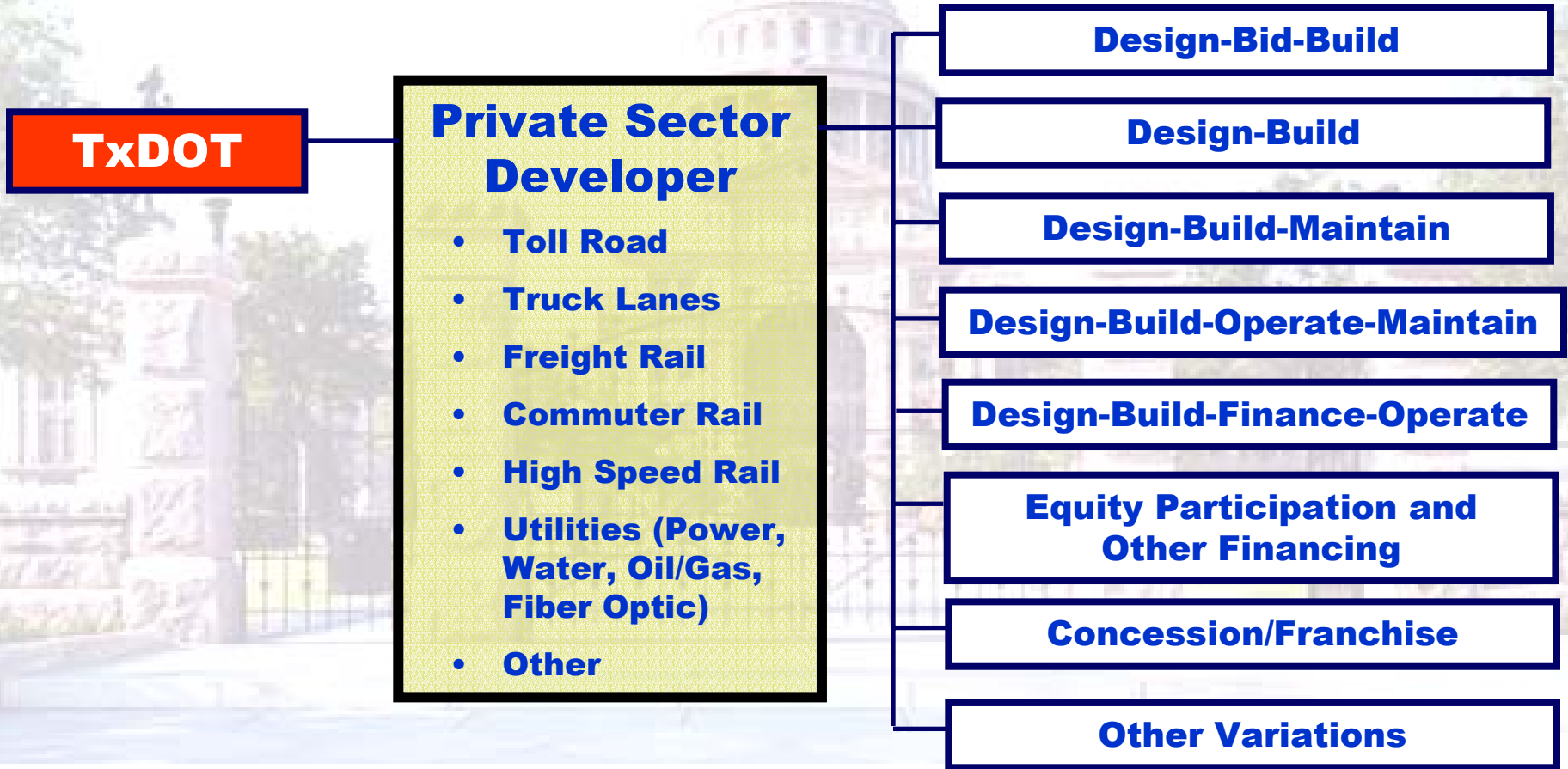


Choosing the Right CDA Model

Selected Forms	Characteristics	Suitable For:	Examples
<p>Concession/ Franchise</p>	<ul style="list-style-type: none"> ▪ Revenue sharing ▪ Facilities leasing ▪ Shared operations and revenue risks and responsibilities 	<p>• Well-defined project that would benefit from entrepreneurial approach to finance and long-term operations</p>	<p>UK; Europe; California SR 91 and SR 125</p>



TTC Trans-Texas Corridor Contractual Relationship



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Private Sector Opportunities

- **TxDOT is looking for business partners with creative solutions for private equity participation and concession models**



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