



National Council for Public-Private Partnerships

Phillip E. Russell, P.E.

Texas Turnpike Authority Division
Texas Department of Transportation

December 8, 2003



SH 130 – Exclusive Development Agreement (EDA)

- Overview of Project
- Why an EDA was utilized
- Project Financing
- Insurance and Bonds
- Staffing for Oversight of Project
- Co-Location
- Quality Control / Quality Assurance
- ROW Acquisition
- Project Controls



Texas Governor Rick Perry at October 3, 2003 Groundbreaking



SH 130 Overview

- \$1.37 Billion
- 91 Miles
- Six Segments
- 4-Lane, Divided, Controlled-Access Turnpike
- 103' Median
- Discontinuous 2-Lane Frontage Roads
- 8 Major Interchanges

1

2

3

4

5

6

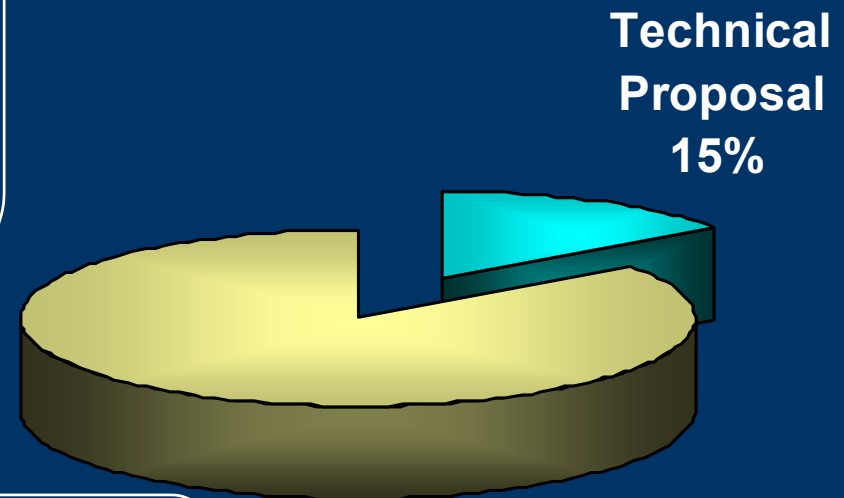
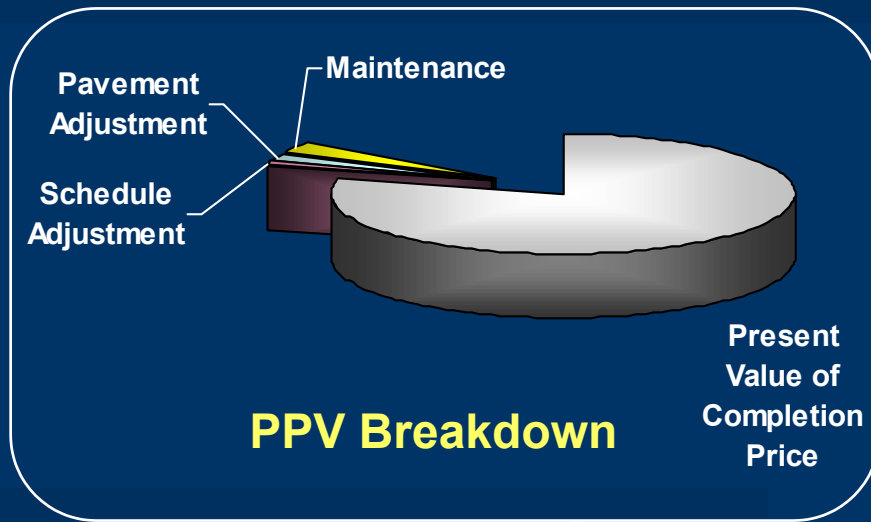
Exclusive Development Agreement (EDA)

- **Similar to Design-Build**
 - **Design**
 - **ROW Acquisition Services**
 - **Utility Adjustments**
 - **Construction**
 - **QC/QA for Design & Construction**
 - **Public Outreach**
- **Includes financial participation by Developer**
- **SH 130 also includes Capital Maintenance Agreement**

Key Benefits of EDA Approach

- **Fixes price early in design phase**
- **Guarantees completion date**
- **Single point of responsibility**
- **Assignment of project risks**
- **Life cycle cost efficiency**
- **Continuous constructability reviews**
- **Streamlines project administration**
- **Enhances cost control and risk management**

Evaluations Were Based on "Long-Term Best Value to Texas"



Price Proposal Value (PPV)
85%

Project Financing

- SH 130 is one element of the Central Texas Turnpike System 2002 Project
 - Other elements include SH 45 North an Extension to Loop 1
- \$2.2 Billion bond issuance in 2002
- Local contributions
- TxDOT contribution
- SH 130 Developer Note
- Unique combination of long-term fixed rate, long-term variable rate, short-term bond anticipation notes, and TIFIA loan

Insurance and Bonds

- **Events of 9-11 and issues with major U.S. corporations have had a dramatic affect on insurance and surety industry**
- **Costs have dramatically increased**
- **Reluctance to provide requested coverage**
- **\$250 Million performance and payment bonds were utilized for the \$1.3 billion initial cost**
- **Delayed opening insurance as specified is not commercially available**

Staffing for Oversight of Project

- TxDOT entered into a contract with a consulting engineering firm to provide program management services
- Program management team's sole focus is on SH 130
- TxDOT staff works hand-in-hand with program manager's staff
 - Design Oversight
 - ROW Acquisition
 - Utility Adjustments
 - Environmental Activities
 - Construction Oversight
 - Contractual Issues
 - Public Outreach
 - Project Controls

Co-Location

- **Critical for project success**
- **Enhanced communications**
- **Project office established April 2001**
- **SH 130 Developer in adjacent building**
- **Fast-paced project**
- **Multitude of Meetings**
- **Daily interaction between parties**

Over 140 People

12 Employers

SH 130, SH 45, Loop 1

Quality Control/Quality Assurance (QC/QA)

- **Separate Program Requirements for Design and Construction**
- **Developer is Responsible for QC/QA**
 - **Must Retain an Independent Design Quality Assurance Firm (DQAF)**
 - **Must Retain an Independent Construction Quality Assurance Firm (CQAF) Responsible for Acceptance Testing**
 - **Environmental Compliance Manager must be Independent**
- **TxDOT and Program Manager have Oversight Responsibility for both Design and Construction Activities**

Quality Control/Quality Assurance (QC/QA)

- To date, TxDOT is pleased with the independent quality firm approach
 - Developer is responsible for adequate staffing to accommodate aggressive schedule
 - Independent firms have performed well
 - TxDOT and program manager can focus on bigger picture issues
- Suggest that independent quality firms focus on “reporting results” and not have too much “approval authority”

ROW Acquisition

- SH 130 is a bit unique in that the Developer is responsible for ROW acquisition services
- TxDOT approves acquisition packages prior to making the offer
- TxDOT is responsible for eminent domain proceedings with support from the Developer
- Developer must be nimble to adjust construction start to ROW acquisition progress

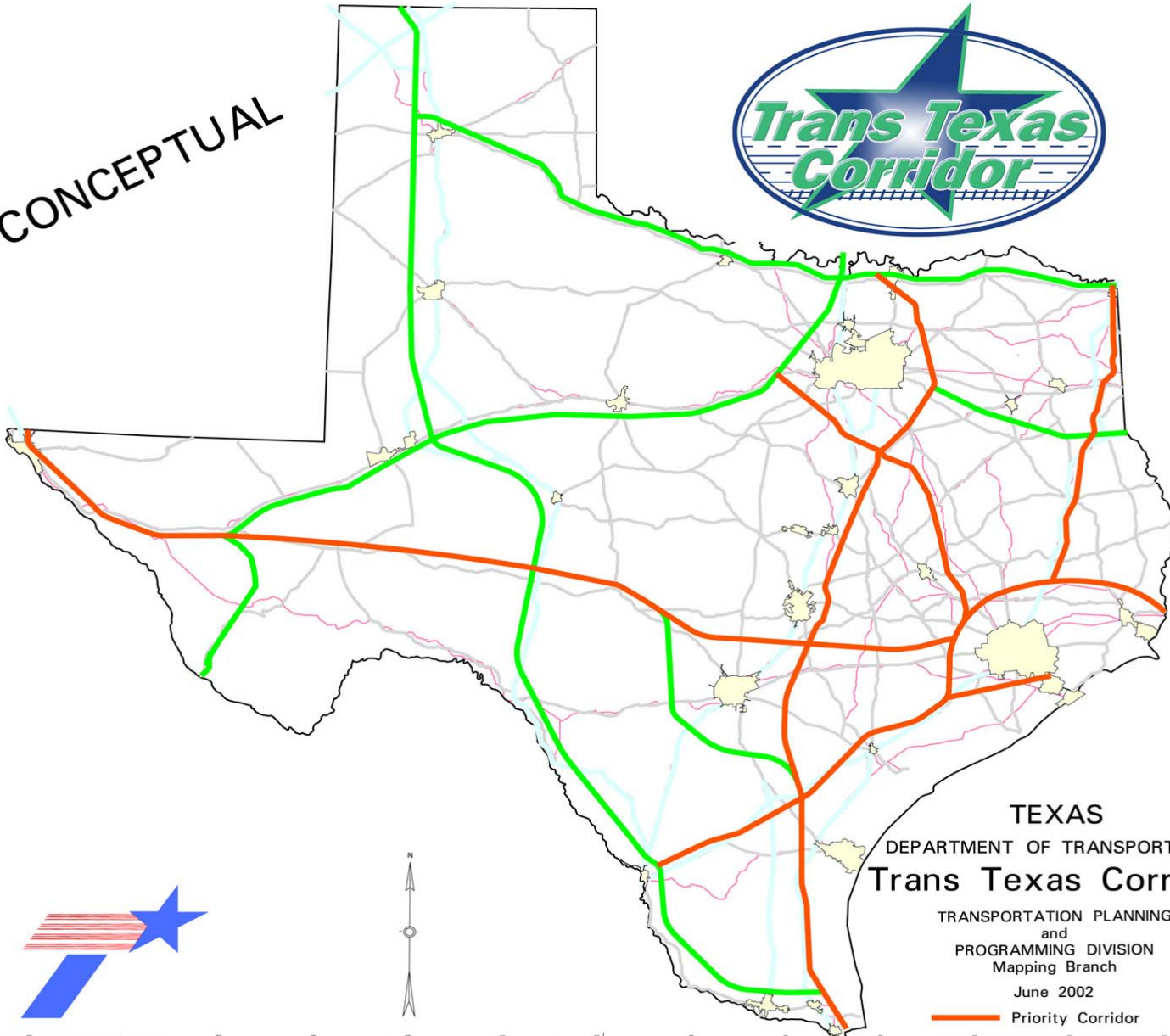


Project Controls

- All RFP documents issued on CD's
- Est. 2-3 million documents for CTTTP
- 200-400 documents per day with 1100+ peak to date
- Electronic Document Management System
- Electronic exchange of data with Developer
- Materials Testing Database



CONCEPTUAL



TEXAS
DEPARTMENT OF TRANSPORTATION
Trans Texas Corridor

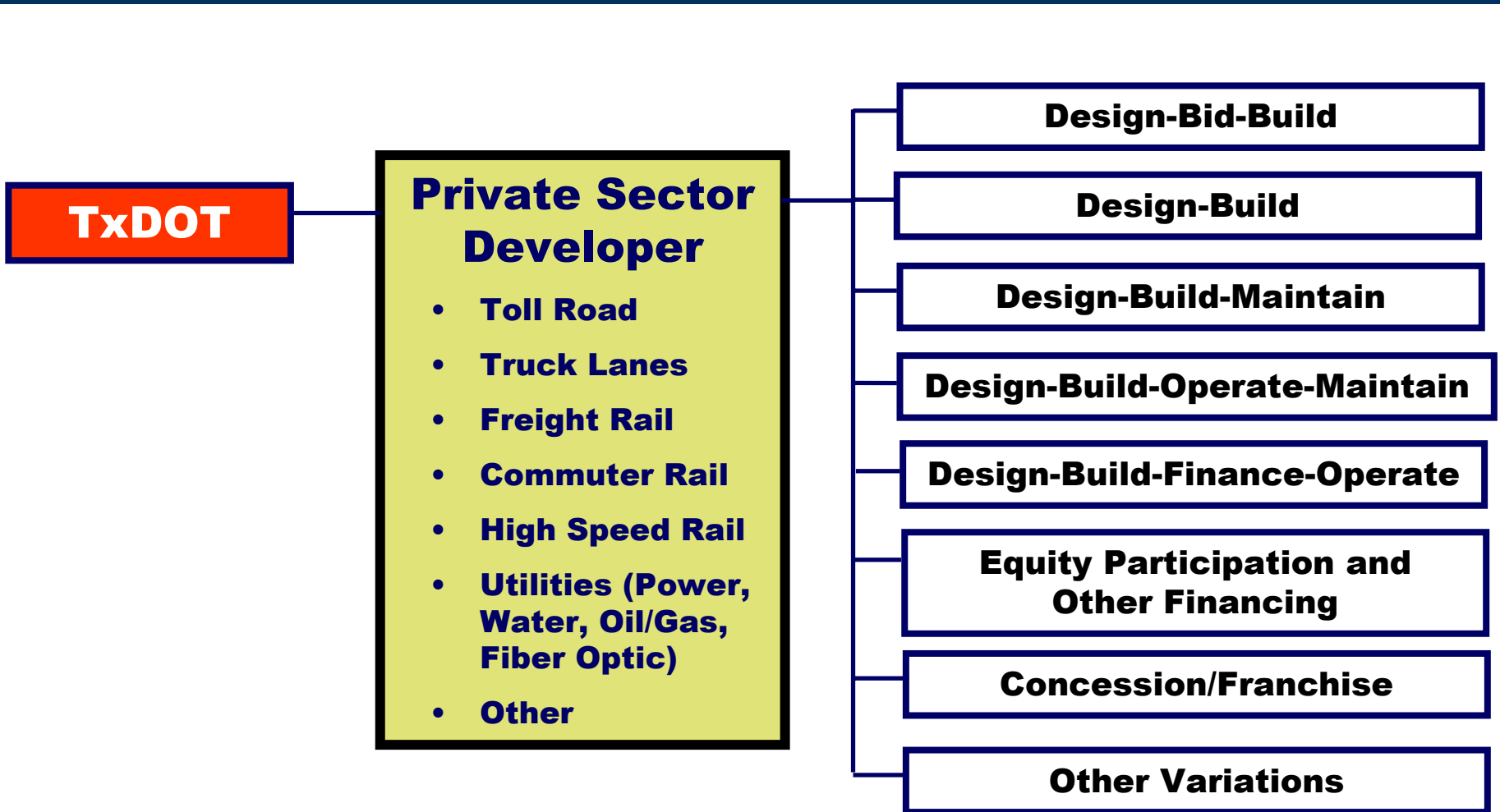
TRANSPORTATION PLANNING
and
PROGRAMMING DIVISION
Mapping Branch
June 2002

— Priority Corridor

- **Trans-Texas Corridor Program announced by Governor Perry in January 2002**
 - **4000 mile long system of multi-modal transportation and utility corridors**
 - Toll Roads
 - Truck Lanes
 - Freight rail
 - Commuter rail
 - High speed rail
 - Utilities



Private Sector Opportunities



Phillip E. Russell, P.E.

Director, Texas Turnpike Authority Division

Texas Department of Transportation

125 East 11th Street

Austin, TX 78701-2483

Phone: 512-936-0903

FAX : 512-305-9518

email: prussel@dot.state.tx.us