

**DEPARTMENT OF TRANSPORTATION**

OFFICE OF THE DIRECTOR  
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*Flex your power!  
Be energy efficient!*

June 24, 2009

Dear Interested Industry Representative:

You are invited to an industry workshop on a potential public-private partnership (P3) opportunity for the Doyle Drive Replacement Project under the recently enacted Senate Bill 4 of the Second Extraordinary Session (SBX2) 4. The California Department of Transportation (Department) and the San Francisco County Transportation Authority (Authority) will hold the **Doyle Drive P3 Industry Workshop on July 6 and 7, 2009**, at the Golden Gate Club, Presidio of San Francisco, 135 Fisher Loop, San Francisco, CA 94129.

The workshop on **July 6 will begin at 9:00 am and conclude at 5:00 PM**. All workshop participants are invited on a tour of the project during the day of July 7.

On **July 7** one-hour time slots are available for one-on-one meetings between project sponsors and those organizations that have a track record in leading a team for P3 projects of similar size, scale and complexity as the Doyle Drive Replacement Project. The purpose of these one-on-one meetings is to exchange information on the questions posed in Attachment 4. Interested parties are urged to submit a reservation request as soon as possible but no later than July 2nd. You may register on-line at: [www.doyledrive.org/p3/](http://www.doyledrive.org/p3/) or by mailing in the Registration Form, Attachment 1. Slots will be assigned on a first come, first serve basis. If necessary, additional slots will be made available at a later date.

#### The Project

Doyle Drive connects the City and County of San Francisco to the Golden Gate Bridge along Route 101 passing through the Presidio of San Francisco, part of the Golden Gate National Recreation Area. This 1.5 mile facility constructed in 1936 has reached the end of its useful life and is to be replaced with a parkway. Additional information on the Doyle Drive Replacement Project can be found in Attachment 2 and online at: [www.doyledrive.org](http://www.doyledrive.org).

#### The Legislation

On February 20, 2009, Governor Arnold Schwarzenegger enacted SBX2 4 establishing the authority for the Department and regional transportation agencies to enter into P3's to deliver critical infrastructure in the State of California. The P3 authority is codified at California Streets and Highways Code section 143.

The Doyle Drive Replacement Project is high on the Department's list of priorities for using its new P3 authority. The Department and the Authority are working cooperatively to determine the advisability of delivering portions of the project through a P3 method. The Department and the Authority will consider the input received at the workshop in formulating decisions on implementing a P3 procurement.

Interested Industry Representative

June 24, 2009

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### Cost and Funding

A balanced funding strategy has been developed for the Doyle Drive Replacement Project, relying on a combination of federal, State, regional, and local funds, to meet the project's approximately \$928.8 million price tag. Information on this funding strategy is set forth in Attachment 3.

The Department and the Authority, however, are re-examining the financing plan and believe it may be in the public's interest to reschedule the timing of expenditures from some sources of public funds, access private debt, and equity financing, for some of the capital costs and use an availability payment mechanism to compensate for the private investment and for long term operating and maintenance services.

### The Issues

At the workshop, the Department and the Authority intend to engage industry participants in a dialogue regarding key issues affecting the use of a P3. Participants are urged to come to the workshop prepared to express their interests, ideas, preferences, and concerns, including issues described in Attachment 4.

In addition, the Department and the Authority welcome your questions, comments and ideas prior to the workshop, which you may submit via the following web link: [www.doyledrive.org/p3/](http://www.doyledrive.org/p3/) or by written communication to:

Mr. Bijan Sartipi  
District Director  
California Department of Transportation, District 4  
P.O. Box 23660  
Oakland, CA 94623-0660  
[bijan\\_sartipi@dot.ca.gov](mailto:bijan_sartipi@dot.ca.gov)

We look forward to your interest and participation in the workshop.

Sincerely,



RANDELL H. IWASAKI  
Chief Deputy Director

Attachments



## Agenda

### Doyle Drive Replacement Project Public-Private Partnership Industry Workshop

Monday, July 6, 2009  
9:00 AM to 5:00 PM

Golden Gate Club, Presidio of San Francisco, 135 Fisher Loop, San Francisco, CA 94129

- |   |  |                      |
|---|--|----------------------|
| 1. WELCOME & INTRODUCTION OF BUSINESS, TRANSPORTATION & HOUSING SECRETARY DALE E. BONNER, MAYOR GAVIN NEWSOM, CITY AND COUNTY OF SAN FRANCISCO (INVITED) AND SUPERVISOR BEVAN DUFTY, CHAIR OF THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY (INVITED) | José Luis Moscovich<br>Executive Director,<br>San Francisco County<br>Transportation Authority | 9:00 To 9:15         |
| 2. OPENING REMARKS & OVERVIEW OF CA PUBLIC PRIVATE PARTNERSHIPS   | Dale E. Bonner,<br>Secretary Business Housing<br>Transportation Agency                         | 9:15 – 10:15         |
| 3. INTRODUCTION OF SPONSORING AGENCIES (FHWA, MTC, GGBHTD, Presidio Trust, SFCTA)   | Will Kempton,<br>Director, California<br>Department of Transportation                          | 10:15 To 10:45       |
| 4. PROJECT OVERVIEW   | Lee Saage<br>Gene Gonzalo  | 10:45 to 11:15       |
| 5. CONCEPT FOR A DOYLE P3, PROCUREMENT SCHEDULE AND REVIEW OF ISSUES  | Fred Kessler<br>Geoff Yarema   | 11:15 to 12:15       |
| <b>6. BREAK FOR LUNCH</b>   | <b>All</b>   | <b>12:15 to 1:45</b> |
| 7 FUNDING PLAN  | Nidal Tuqan  | 1:45 To 2:15         |
| 8. CONSTRUCTION STAGING AND RISK MANAGEMENT   | Dennis Turchon   | 2:15 to 3:15         |
| 9. TECHNICAL & FINANCE PANEL – Q & A  | Lee Saage, Moderator   | 3:15 To 4:15         |
| 10. WRAP-UP AND NEXT STEPS  | Dale E. Bonner   | 4:15 To 5:00         |
| 11. SITE TOUR   |  | 5:00 To 6:00         |

# Doyle Drive Replacement Project Public-Private Partnership Industry Workshop

Tuesday, July 7, 2009  
9:00 AM to 5:00 PM

This day is scheduled to hold one-hour, one-on-one meetings that are being made available between project sponsors and organizations that have a track record in leading P3 project teams of similar size, scale and complexity as the Doyle Drive Replacement Project. The purpose of these one-on-one meetings is to exchange information on the questions posed in Attachment 4 of the invitation letter dated June 24, 2009. Interested parties are urged to submit a reservation request as soon as possible, but no later than July 2nd.

Additionally, tours of the project site will be available to interested parties during the day. Tours will last approximately 30 to 60 minutes. Please wear walking shoes.

## **Project Panel for Questions and Answers Session**

Nidal Tuqan, Caltrans Project Management  
Keyhan Moghbel, Caltrans Design  
Skip Sowko, Caltrans  
Ofelia Alcantara, Caltrans Structures  
Dennis Turchon, Caltrans Construction  
Ignacio Barandiaran, P3 Lead, Arup/PB Joint Venture  
John Karn, Project Manager, Arup/PB Joint Venture  
Geoff Yarema, Nossaman (if not a presenter)  
Mark Shindler, Caltrans Right of Way

**Attachment 1**

**Registration Form for**  
**Doyle Drive Replacement Project P3 Workshop**  
**July 6 and 7, 2009**

Please complete the information requested below and mail or e-mail the completed form to:

**Doyle Drive Replacement Project**  
**426 Webber Street**  
**Napa, CA 94559**  
**doyledrive@doyledrive.org**

Name(s): \_\_\_\_\_  
\_\_\_\_\_

Name of Organization: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Business Phone: \_\_\_\_\_

Email: \_\_\_\_\_  
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If your organization requests a time slot for a one-on-one meeting on July 7, please check your first, second and third choices below.

Time Slot	First Choice	Second Choice	Third Choice
9:00 am – 10:00 am			
10:00 am – 11:00 am			
11:00 am – 12:00 pm			
1:00 pm – 2:00 pm			
2:00 pm – 3:00 pm			
3:00 pm – 4:00 pm			
4:00 pm – 5:00 pm			
5:00 pm – 6:00 pm			
6:00 pm – 7:00 pm			

## **Attachment 2**

### **Background on Doyle Drive**

#### **General Information**

Doyle Drive, on US 101, serves as the south access to the Golden Gate Bridge. Winding 1.5 miles along the northern edge of San Francisco, the roadway is the primary highway and transit linkage through San Francisco, between counties to the south (San Mateo and Santa Clara) and to the north (Marin and Sonoma). Doyle Drive is located within the Presidio of San Francisco and provides access to historic and cultural landmarks including the Golden Gate National Recreation Area, the Presidio, the Golden Gate Bridge and the Palace of Fine Arts.

Originally built in 1936, Doyle Drive has reached the end of its useful life and must be replaced. The roadway is facing the same problem that threatens other parts of our nation's infrastructure – the ravages of time and continual use.

Replacing Doyle Drive with a modern, earthquake-safe facility is a high-priority safety project, as the facility currently rates only 2 out of 100 in structural sufficiency. Doyle Drive requires extensive seismic, structural and traffic safety upgrades. Should an earthquake or structural failure force the closure of Doyle Drive for any significant length of time, freeways in the North and East Bay areas would experience staggering congestion from rerouted trips, and the regional transit and ferry systems would be greatly overburdened. Severe economic hardship and job relocation would likely result for the North Bay counties as well as for San Francisco. In the short term, regular maintenance, seismic retrofit and rehabilitation activities are keeping the structure safe. However, in the long term, permanent improvements are needed to bring Doyle Drive up to current design and safety standards.

#### **History**

In 1991, the San Francisco Board of Supervisors revisited the reconstruction of Doyle Drive and established the Doyle Drive Task Force. The Task Force considered design options and made recommendations that were approved by the Board of Supervisors in 1993. In 1994, the National Park Service released the Final General Management Plan Amendment (GMPA) identifying the main objectives for Doyle Drive improvements which focus on maintaining the historic value of the surrounding areas, minimizing noise and pollution impacts and enhancing the Presidio entrance and the circulation features.

The San Francisco County Transportation Authority (Authority) developed the Doyle Drive Intermodal Study in 1996, which supports the Doyle Drive Task Force and the GMPA recommendation to make multi-modal and direct vehicular access into and out of the Presidio a central feature of the design.

Work on a federal Environmental Impact Statement under the National Environmental Policy Act (NEPA) and a concurrent state Environmental Impact Report under the

California Environment Quality Act (CEQA) began in 2000 and the Draft Environmental Impact Statement/Report (DEIS/R) was released in 2005. On September 26, 2006, the Authority's Board of Commissioners unanimously selected the "Presidio Parkway" as the Preferred Alternative. Inputs received during the comment period, as well as refinements to the Preferred Alternative, are reflected in the Final EIS/R circulated in October 2008. The Authority issued its Notice of Determination under CEQA in November 2008 and the Federal Highway Administration issued the Record of Decision under NEPA in December 2008 formally completing the environmental review and clearing the project for final design and construction.

## **Project Information**

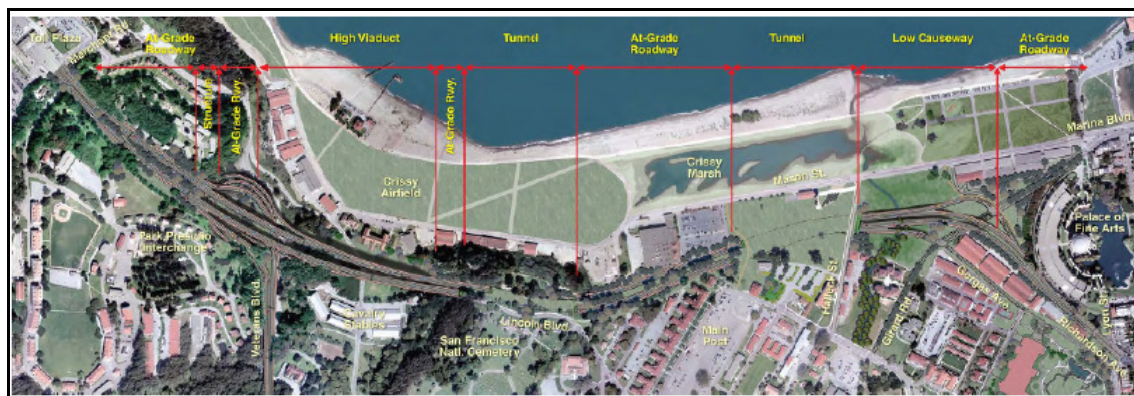
The Presidio Parkway is a world-class design to replace the existing roadway that, when constructed, will improve the seismic, structural and traffic safety of Doyle Drive. The project team has strived to create a roadway that reduces impacts to biological, cultural and natural resources; respects the project setting within a national park, the National Historic Landmark District and surrounding neighborhoods; meets community needs; and provides a safer roadway.

The Presidio Parkway will replace the existing Doyle Drive with a new six-lane parkway-type roadway and a southbound auxiliary lane between the Park Presidio Interchange and the new Presidio access at Girard Road. The facility will include short tunnels, new access and improved views from within the Presidio of San Francisco. To minimize impacts to the park, the footprint of the new facility will overlap with a large portion of the existing facility's footprint east of the Park Presidio Interchange. The Presidio Parkway has the unique features of a parkway design and a wide landscaped median, a traffic calming transition to city streets and reduced lane and shoulder width with enhanced pedestrian connections within the Presidio to the Main Post, Crissy Marsh, the National Cemetery and Historic Batteries. It provides new direct access to the Presidio and enhanced views from within the Presidio. It will be a spectacular regional gateway that complements the unique environment of San Francisco and the Presidio, a national park.

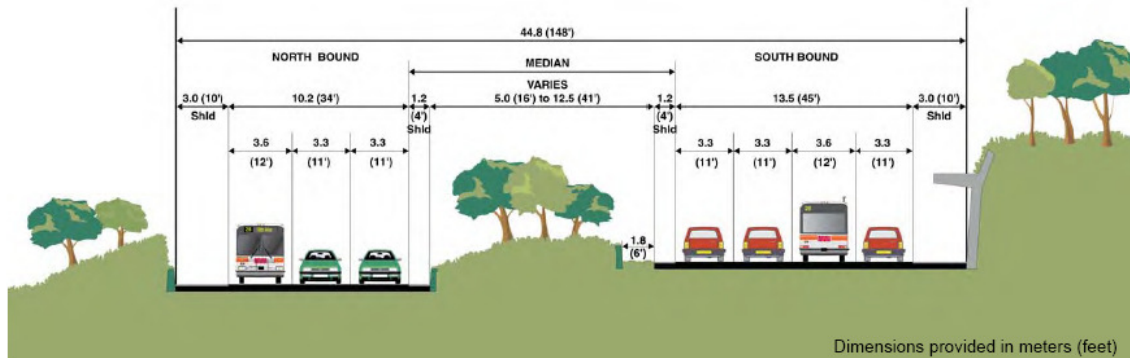
## Project Location



## Project Map



## Project Cross Section



The total roadway width will be about 110 feet and the overall facility width including the median will vary from 120 to 150 feet. The width of the proposed landscaped median will vary from 15 feet to 45 feet. A 1,280 foot long high-viaduct will be constructed between the Park Presidio Interchange and the San Francisco National Cemetery. The height of the high-viaduct will vary from 65 to 115 feet above the ground surface. Shallow cut-and-cover tunnels will extend 850 feet past the cemetery to east of Battery Blaney. From Building 106 (Band Barracks) cut-and-cover tunnels up to 1,020 feet long will extend to east of Halleck Street. The facility will then rise slightly on a low causeway (395 feet long) over the site of the proposed Tennessee Hollow restoration and then pass over a depressed Girard Road. The low causeway will rise to approximately 10 feet above the surrounding ground surface at its highest point. East of Girard Road the facility will return to existing grade north of the Gorgas warehouses and connect to Richardson Avenue. The facility will provide a transition zone starting from the Main Post Tunnel to reduce vehicle speeds prior to entering city streets.

### Preliminary Procurement Schedule

The preliminary procurement schedule for a P3 agreement for the project is available here:

[www.doyledrive.com/pdfs/calendar\\_full\\_0609.pdf](http://www.doyledrive.com/pdfs/calendar_full_0609.pdf)  
[www.doyledrive.com/pdfs/calendar\\_text\\_0609.pdf](http://www.doyledrive.com/pdfs/calendar_text_0609.pdf)

### Attachment 3

#### Initial Financial Plan

The following are excerpts from the Initial Financial Plan for the Doyle Drive Replacement Project dated May 12, 2009 and approved by the Federal Highway Administration. View the full Initial Financial Plan at [www.doyledrive.org/p3/](http://www.doyledrive.org/p3/).

Construction costs are estimated by project contract as follows. (Note that a public-private agreement would encompass the project scope under contracts 5 through 8.)

#### **Construction Cost Estimate in 2009\$ (No Escalation)**

<b>Contract</b>	<b>Project Description</b>	<b>Capital Cost with No Escalation</b>
<b>Contract 1</b>	Advanced Environmental Mitigation – (wet land, biological, tree removal). Mitigation prior to construction activities. Environmental mitigation during construction is accounted for in the individual contract budgets.	\$ 3,574,580
<b>Contract 2</b>	Utility Relocation Prior to Construction Activity, including private utility relocation for items owned by the Presidio. (Public utility relocations included in the ROW data sheet)	\$ 14,700,000
<b>Contract 3</b>	Ruckman, Southern PPL, SB High Viaduct.	\$ 120,030,000
<b>Contract 4</b>	SB Battery Tunnel, At Grade Detour, RW#6, RW#8, Permanent Roadway Sections, Long Weekend Closure, Partial Demo of Low Viaduct Structures & Open At-Grade Detour to Public Traffic.	\$ 97,770,000
<b>Contract 5</b>	Girard UC, Main Post Tunnels, Low Viaduct, Includes Fill Over Tunnels, Electrical and Mechanical Substations, Demo Existing Low Viaduct, Maintain and Removal At Grade Detour, Open Permanent Roadway to Public Traffic.	\$ 263,880,000
<b>Contract 6</b>	NB Battery Tunnels and related roadwork, includes fill over tunnels, conform to existing high viaduct.	\$ 63,650,000
<b>Contract 7</b>	NB High Viaduct, Northern Park Presidio Interchange, NB Roadway to Merchant Road.	\$ 89,190,000
<b>Contract 8</b>	Highway Planting.	\$ 7,600,000
<b>Total Cost</b>		<b>\$ 660,394,580</b>

### Construction Cost Estimate in Year of Expenditure \$

Contract	2009\$ Cost	Factor	YOE\$ Cost
Contract 1	\$ 3,574,580	1.03509	\$ 3,700,000
Contract 2	\$ 14,700,000	1.02242	\$ 15,029,525
Contract 3	\$ 120,030,000	1.03764	\$ 124,547,879
Contract 4	\$ 97,770,000	1.04020	\$ 101,700,225
Contract 5	\$ 263,880,000	1.08201	\$ 285,521,670
Contract 6	\$ 63,650,000	1.08468	\$ 69,039,999
Contract 7	\$ 89,190,000	1.08468	\$ 96,742,773
Contract 8	\$ 7,600,000	1.11722	\$ 8,490,889
<b>Total Cost</b>	<b>\$ 660,394,580</b>		<b>\$ 704,772,960</b>

Overall, escalation costs contribute approximately \$44.4 million to the total cost of the Doyle Drive Replacement Project.

Total project costs, including the foregoing construction costs, are estimated as follows:

#### Cost Estimate by Project Contract (\$ millions, Year of Expenditure)

Contract	Environmental Support	Design Phase Support	R/W Support Cost	R/W Capital	Construction Phase Support	Construction	Risk Factor	Total Cost per Phase
<b>Environmental</b>	\$ 25.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 25.6</b>
<b>Contract 1</b>	\$ -	\$ 5.0	\$ 1.0	\$ -	\$ 1.0	\$ 3.7	\$ 1.2	<b>\$ 11.9</b>
<b>Contract 2</b>	\$ -	\$ 2.7	\$ 0.5	\$ -	\$ 2.0	\$ 15.0	\$ 2.1	<b>\$ 22.3</b>
<b>Contract 3</b>	\$ -	\$ 9.3	\$ 1.0	\$ 10.0	\$ 16.0	\$124.5	\$ 5.0	<b>\$165.9</b>
<b>Contract 4</b>	\$ -	\$ 7.7	\$ 1.5	\$ 23.0	\$ 14.5	\$101.7	\$ 4.4	<b>\$152.8</b>
<b>Contract 5</b>	\$ -	\$ 18.1	\$ -	\$ -	\$ 22.0	\$285.5	\$ 8.9	<b>\$334.5</b>
<b>Contract 6</b>	\$ -	\$ 5.2	\$ -	\$ -	\$ 8.0	\$ 69.0	\$ 4.2	<b>\$ 86.5</b>
<b>Contract 7</b>	\$ -	\$ 8.1	\$ -	\$ -	\$ 9.5	\$ 96.7	\$ 3.3	<b>\$117.7</b>
<b>Contract 8</b>	\$ -	\$ 0.9	\$ -	\$ -	\$ 1.9	\$ 8.5	\$ 0.3	<b>\$ 11.6</b>
<b>Total Cost</b>	<b>\$ 25.6</b>	<b>\$ 57.0</b>	<b>\$ 4.0</b>	<b>\$ 33.0</b>	<b>\$ 74.9</b>	<b>\$704.8</b>	<b>\$ 29.5</b>	<b>\$928.8</b>

The foregoing estimated costs include \$135.9 million as expenditures on Department and Authority support costs, as follows:

**The Department & Authority Support Costs by Project Contract (\$ millions)**

Contract	R/W Support Cost	Design Phase Support	Construction	
			Phase Support	YOE\$ Cost
Contract 1	\$ 1.0	\$ 5.0	\$ 1.0	\$ 7.0
Contract 2	\$ 0.5	\$ 2.7	\$ 2.0	\$ 5.2
Contract 3	\$ 1.0	\$ 9.3	\$ 16.0	\$ 26.3
Contract 4	\$ 1.5	\$ 7.7	\$ 14.5	\$ 23.7
Contract 5	\$ -	\$ 18.1	\$ 22.0	\$ 40.1
Contract 6	\$ -	\$ 5.2	\$ 8.0	\$ 13.2
Contract 7	\$ -	\$ 8.1	\$ 9.5	\$ 17.6
Contract 8	\$ -	\$ 0.9	\$ 1.9	\$ 2.8
<b>Total Cost</b>	<b>\$ 4.0</b>	<b>\$ 57.0</b>	<b>\$ 74.9</b>	<b>\$ 135.9</b>

As of March 31, 2009, \$39.1 million had been spent on Project planning, environmental, and design activities.

**The estimated remaining cost to complete the Doyle Drive Replacement Project is \$889.7 million. By December 2009, it is anticipated that Contracts 1 to 4 will be in construction and the design for Contracts 5 to 7 will be 80 to 90 percent complete.**

The Initial Financial Plan includes the following funding sources:

**Funding Sources for the Doyle Drive Replacement Project (\$ millions)**

Funding Source	Committed	Anticipated	Total
State Highway Operation and Protection Program Funds	405.0	-	405.0
ARRA Federal Stimulus Funds	50.0	50.0	100.0
Regional Improvement Program Funds	84.1	-	84.1
Golden Gate Bridge Highway and Transportation District Funds	80.0	-	80.0
Metropolitan Transportation Commission Funds	80.0	-	80.0
Proposition K Funds	67.9	-	67.9
Urban Partnership Agreement Funds	47.3	-	47.3
Federal Earmark Funds	28.6	-	28.6
State Local Partnership Program Funds	21.0	-	21.0
Port Sonoma Ferry Funds	-	20.0	20.0
Traffic Congestion Relief Program Funds	15.0	-	15.0
Devil's Slide Earmark Funds	-	6.0	6.0
<b>Total</b>	<b>878.8</b>	<b>76.0</b>	<b>954.8</b>

The project delivery schedule under the Initial Financial Plan would generate estimated annual expenditures as follows:

**Table of Annual Expenditures by State Fiscal Year (\$ millions)**

<b>State Fiscal Year</b>	<b>Expended to Date</b>	<b>Projected Expenditures</b>	<b>Total Expenditures</b>	<b>Cumulative Expenditures</b>
Prior	\$ 1.7	\$ -	\$ 1.7	\$ 1.7
FY 2001	\$ 2.7	\$ -	\$ 2.7	\$ 4.3
FY 2002	\$ 2.8	\$ -	\$ 2.8	\$ 7.1
FY 2003	\$ 2.2	\$ -	\$ 2.2	\$ 9.3
FY 2004	\$ 2.7	\$ -	\$ 2.7	\$ 12.0
FY 2005	\$ 3.6	\$ -	\$ 3.6	\$ 15.7
FY 2006	\$ 1.8	\$ -	\$ 1.8	\$ 17.5
FY 2007	\$ 2.5	\$ -	\$ 2.5	\$ 20.0
FY 2008	\$ 8.1	\$ -	\$ 8.1	\$ 28.1
FY 2009	\$ 11.0	\$ 53.4	\$ 64.4	\$ 92.5
FY 2010	\$ -	\$ 183.1	\$ 183.1	\$ 275.6
FY 2011	\$ -	\$ 298.7	\$ 298.7	\$ 574.3
FY 2012	\$ -	\$ 229.7	\$ 229.7	\$ 804.0
FY 2013	\$ -	\$ 124.7	\$ 124.7	\$ 928.8
<b>Total Cost</b>	<b>\$ 39.1</b>	<b>\$ 889.6</b>	<b>\$ 928.8</b>	

### Attachment 3a

Since the approval of the Initial Financial Plan, there has been an evolution of the project as a result of detailed design, value analysis, and constructability reviews. The table below is a summary of the latest developments on the project as of June 2009.

<b>Doyle Drive Financial Plan Summary version 4.9</b>					
		<b>Milestones</b>	<b>Milestones Dates</b>	<b>Contract Components</b>	<b>Estimates</b>
EA 04-1637EX	R/W Expenditure Authorization	E76	Jun-09	R/W Support	4.0
		R/W Cert	June 23,09	R/W Capital	33.0
<b>SUBTOTAL</b>					<b>37.0</b>
EA 04-1637FX <b>Contract 1.1 - Environmental Mitigation - Plant Material Collection &amp; Propagation</b>		ROE	Not Required	Design Sup.	0.2
		RTL	May 27, 2009	Support Spent	0.2
		Advert.	May 29, 2009	% PS&E	100%
		MTC Vote	June 24, 2009	Const. Sup.	0.1
		Award	June 25, 2009	Const. Cap	<b>0.6</b>
<b>SUBTOTAL</b>		Emergency Limited Bid			<b>0.9</b>
EA 04-1637GX <b>Contract 1.2 Environmental Mitigation - Building Stabilizations for Construction Activities</b>		ROE	July 16, 2009	Design Sup.	0.5
		RTL	July 21, 2009	Support Spent	0.3
		Advert.	July 30, 2009	% PS&E	50%
		MTC Vote	June 24, 2009	Const. Sup.	0.3
		Award	August 10, 2009	Const. Cap	<b>1.1</b>
<b>SUBTOTAL</b>		Emergency Limited Bid			<b>1.9</b>
EA 04-1637HX <b>Contract 1.3 Environmental Mitigation - Tree Program, grading and contractor access</b>		R/W Cert	July 16, 2009	Design Sup.	0.4
		RTL	July 16, 2009	Support Spent	0.3
		Advert.	July 17, 2009	% PS&E	90%
		MTC Vote	June 24, 2009	Const. Sup.	0.3
		Award	August 13, 2009	Const. Cap	<b>3.0</b>
<b>SUBTOTAL</b>		Emergency Limited Bid			<b>3.7</b>
EA 04-1637JX <b>Contract 1.4 : Geotechnical Demonstration CDSM - For Tunnel construction and pile indicators</b>		R/W Cert	July 16, 2009	Design Sup.	0.3
		RTL	July 16, 2009	Support Spent	0.2
		Advert.	July 16, 2009	% PS&E	85%
		MTC Vote	June 24, 2009	Const. Sup.	0.1
		Award	August 13, 2009	Const. Cap	<b>0.5</b>
<b>SUBTOTAL</b>		Emergency Limited Bid			<b>0.9</b>
EA 04-16371X <b>Contract 1.5- Environmental Mitigation - Wetland Creation</b>		ROE	December 14, 2009	PA&ED	0.6
		RTL	December 21, 2009	Design Sup.	3.6
		CTC Vote	Jan. 2010	Support Spent	1.8
		E76	Dec. 16, 2009	% PS&E	45%
		Advert.	February 1, 2010	Const. Sup.	0.4
		Award	March 1, 2010	Const. Cap	<b>2.8</b>
<b>SUBTOTAL</b>		Design-Bid-Build			<b>7.4</b>
EA 04-16372X <b>Contract 2 - Utilities Relocation - Including Water, Electrical, Sewage and Telecom</b>		ROE	June 15, 2009	PA&ED	0.3
		RTL	May 20, 2009	Design Sup.	2.7
		MTC Vote	June 24, 2009	Support Spent	2.2
		E76	N/A	% PS&E	55%
		Advert.	June 2, 2009	Const. Sup.	2.0
		Award	June 25, 2009	Const. Cap	<b>19.0</b>
<b>SUBTOTAL</b>		Emergency Limited Bid			<b>24.0</b>
EA 04-16373X <b>Contract 3 - Ruckman, Southern PPI,SB High Viaduct: Including the southbound portion of the Presidio Interchange</b>		R/W Cert	July 16, 2009	PA&ED	4.4
		RTL	July 16, 2009	Design Sup.	9.3
		CTC Vote	July 8, 2009	Support Spent	8.0
		E76	July 8, 2009	% PS&E	100%
		Advert.	August 6, 2009	Const. Sup.	16.0
		Award	October 8, 2009	Const. Cap	<b>130.0</b>
<b>SUBTOTAL</b>		Design-Bid-Build			<b>159.7</b>
EA 04-16374X <b>Contract 4 - SB Battery Tunnel, At Grade Detour, including Retaining wall # 6,8, and Partial demolishing of the low viaduct</b>		R/W Cert	September 21, 2009	PA&ED	3.7
		RTL	September 29, 2009	Design Sup.	7.7
		CTC Vote	September 9, 2009	Support Spent	4.0
		E76	September 30, 2009	% PS&E	65%
		Advert.	October 19, 2009	Const. Sup.	14.5
		Award	December 16, 2009	Const. Cap	<b>110.0</b>
<b>SUBTOTAL</b>		Design-Bid-Build			<b>135.9</b>

	Milestones	Milestones Dates	Contract Components	Estimates
EA 04-16375X Contract 5 - NB Battery Tunnel, Main Post Tunnels and all its approaches	R/W Cert	May 17, 2010	PA&ED	10.1
	RTL	June 2, 2010	Design Sup.	18.1
	CTC Vote	June-10	Support Spent	7.0
	E76	June 4, 2010	% PS&E	45%
	Advert.	June 9, 2010	Const. Sup.	22.0
	Award	September 29, 2010	Const. Cap	<b>233.0</b>
<b>SUBTOTAL</b>	Design-Bid-Build			<b>283.2</b>
EA 04-16376X Contract 6 - Girard I/C Low Viaduct	R/W Cert	July 21, 2010	PA&ED	2.6
	RTL	August 2, 2010	Design Sup.	5.2
	CTC Vote	August-10	Support Spent	1.0
	E76	August 4, 2010	% PS&E	45%
	Advert.	August 9, 2010	Const. Sup.	8.0
	Award	November 22, 2010	Const. Cap	<b>144.0</b>
<b>SUBTOTAL</b>	Design-Bid-Build			<b>159.8</b>
EA 04-16377X Contract 7 - NB High Viaduct, North Park Presidio Interchange	R/W Cert	July 14, 2010	PA&ED	3.5
	RTL	July 21, 2010	Design Sup.	8.1
	CTC Vote	August-10	Support Spent	1.2
	E76	July 28, 2010	% PS&E	45%
	Advert.	August 2, 2010	Const. Sup.	9.5
	Award	November 3, 2010	Const. Cap	<b>103.0</b>
<b>SUBTOTAL</b>	Design-Bid-Build			<b>124.1</b>
EA 04-1637AX Contract 8 - Landscaping	R/W Cert	April 2, 2012	PA&ED	0.4
	RTL	April 17, 2012	Design Sup.	0.9
	CTC Vote	May-12	Support Spent	0.0
	E76	May 1, 2012	% PS&E	35%
	Advert.	May 1, 2012	Const. Sup.	1.9
	Award	August 1, 2012	Const. Cap	<b>13.0</b>
<b>SUBTOTAL</b>	Design-Bid-Build			<b>16.2</b>
				954.7
<b>TOTAL</b>		Total Env. Sup.		25.6
		Total Design Sup.		57.0
		Total Design Sup Expended		26.2
		Total R/W Sup		4.0
		Total R/W Cap		33.0
		Total Const. Sup.		75.1
		Total Const. Cap.		760.0
		Total Project Cost		<b>954.7</b>
		Acceleration Saving		89.9
		<b>Total Project Cost</b>		<b>1044.6</b>

## Attachment 4

### Issues

The Department and Authority are interested in your views on issues affecting a potential P3 procurement for the Doyle Drive Replacement Project. Among these issues are the following:

Value for Money – What is the value proposition to the Department for using an availability payment concession?

- To what extent, if any, will an availability payment concession produce value for the Department above and beyond the value of a conventional method of financing, building and maintaining the project?
- Why? What factors and characteristics of an availability payment concession create a better value compared to the value of a conventional method of financing, building and maintaining the project?

Project Scope – Is the contemplated scope of design and construction work for a P3 procurement going to produce better value or other advantages for the Department, and is that scope attractive to the industry?

- To date the Authority has been pursuing conventional design-bid-build procurements of eight separate contracts for the project.
- The project's engineering design is well advanced at this point but not completed.
- Contracts 1 through 4 include advance environmental mitigation work, utility relocation work, and construction of two permanent facilities to replace a portion of the existing Doyle Drive (the Southbound High Viaduct and Battery Tunnel).
- The Department is ready to procure contracts 1 through 4. The Department places highest priority on rapidly completing the work under these contracts in order to deliver safety upgrades for Doyle Drive as soon as possible. The design work for the works included in these contracts is complete or nearly complete at this point in time. This work can be completed through these contracts more rapidly than including this work in a P3 procurement. For this reason, the scope of work under these four contracts will not be included in a P3 procurement.
- The remaining scope of work includes that described for contracts 5 through 8 in Attachment 3 and has an estimated construction cost (year of expenditure \$) of \$459.8 million and estimated total project cost (year of expenditure \$) of \$550.3 million. The design for the works included in these contracts is advanced but not completed.

Type of P3 Agreement – Is the type of P3 agreement and financing mechanism for the project suitable and attractive to the industry?

- The Department and Authority intend to use an availability payment concession.
- The availability payment mechanism may include milestone payments during construction or at substantial completion of construction, and unitary maximum periodic availability payments during the O&M term after completion.
- Maximum availability payments may be subject to reduction for failure to achieve specific performance measures, and to increase according to a price index.
- The milestone and availability payments would be intended to compensate for the cost of debt financing, for operations and maintenance costs and for a reasonable return on equity investment.
- The price competition would center on the lowest net present value of the sum of milestone and availability payments over the construction and O&M terms.
- The Department, as the procuring and contracting governmental entity, would stand behind the milestone and availability payment obligations. The Department's payment obligations would be subject to appropriations. The sources for its payments would include funds approved and appropriated for the project under the existing financing plan (see Attachment 3), together with future state transportation revenues available for maintenance and operation of state highways. The Department would obtain access to local sources of funds via a cooperative agreement with the Authority, which in turn has or will have cooperative agreements with local agency participants, including the Metropolitan Transportation Commission and the Golden Gate Bridge District.

P3 Agreement Term – Are there any issues or barriers to financing if the term of the P3 agreement were 25-30 years? 30-35 years? 35-40 years?

Construction Interface – What are the best options regarding management of the interface of the construction work under contracts 1 through 4 with the construction work under a P3 agreement for the balance of the project, in order to maximize value to the Department and minimize its risk exposure?

Operations and Maintenance Scope – What is the appropriate scope of operations and maintenance responsibility to delegate to the private entity?

- Are there portions of the project or certain types of operations and maintenance responsibility that are more appropriate to be retained by the Department?
- What is the best allocation of maintenance responsibility and risk of defects regarding the improvements constructed under contracts 1 through 4?

Operations and Maintenance Standards – What are the appropriate standards and specifications for operations and maintenance?

PABs and TIFIA Financing – Would it be worthwhile for the Department and the Authority to try to arrange for proposers the availability of private activity bond (PAB)

financing and/or subordinate financing under the Transportation Infrastructure Finance Innovation Act?

- The Department and Authority are considering seeking an allocation under the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant process that would support up to a \$100 million TIFIA loan for the project.
- The Department and Authority also are considering seeking an allocation from the US Department of Transportation of PABs, in an amount to be determined.
- Are these sources of financing advantageous to proposers?
- What amounts should be sought?
- Is pre-arrangement of such financing by the Department and the Authority needed in order for proposers to close financing within the rapid time frame contemplated?
- Is the project feasible as a P3 without these potential sources of financing?

Proposal Evaluation – What is the most appropriate method to evaluate and score final proposals?

- The Department is inclined to use a best value selection method.
- Using a best value approach, the Department would place primary weight on pricing, with proposers' technical solutions and construction schedule also being important factors.