

RTD Board Briefing

Eagle P3 Project

Draft RFP

January 6, 2009

Eagle P3 Draft RFP

- Background
- Outline of Draft RFP
- Major Deal Points
- Payment Structure

Background – Eagle P3 Project



Eagle P3 Project

Design-Build

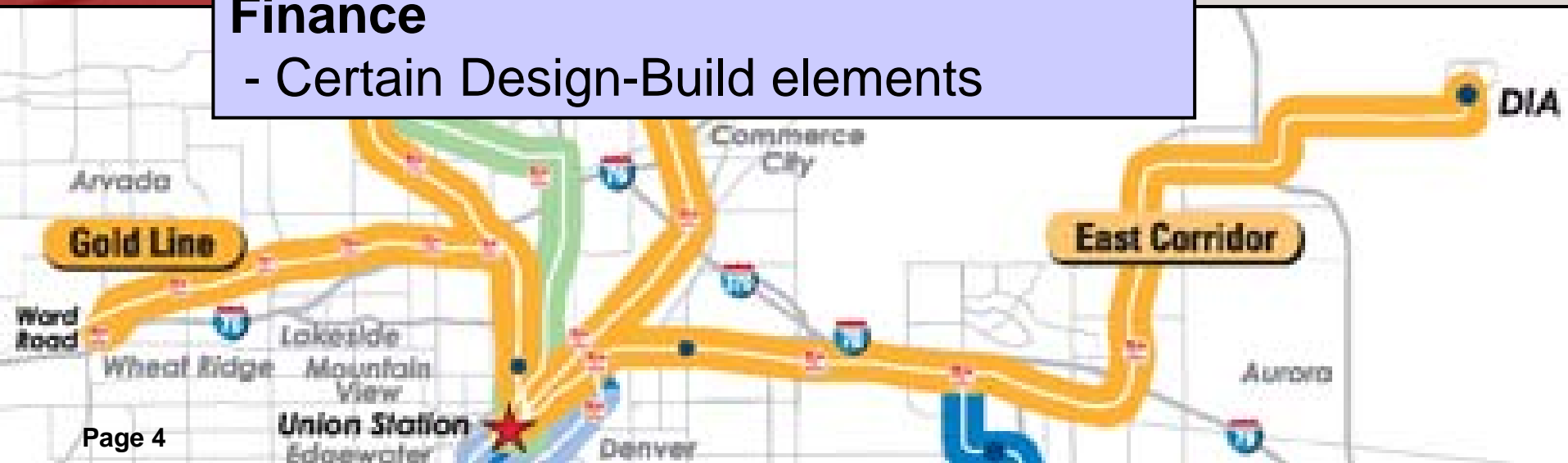
- East and Gold Line
- Maintenance Facility
- DUS systems (power, signals, etc.)
- Commuter rail cars including options

Operate & Maintain

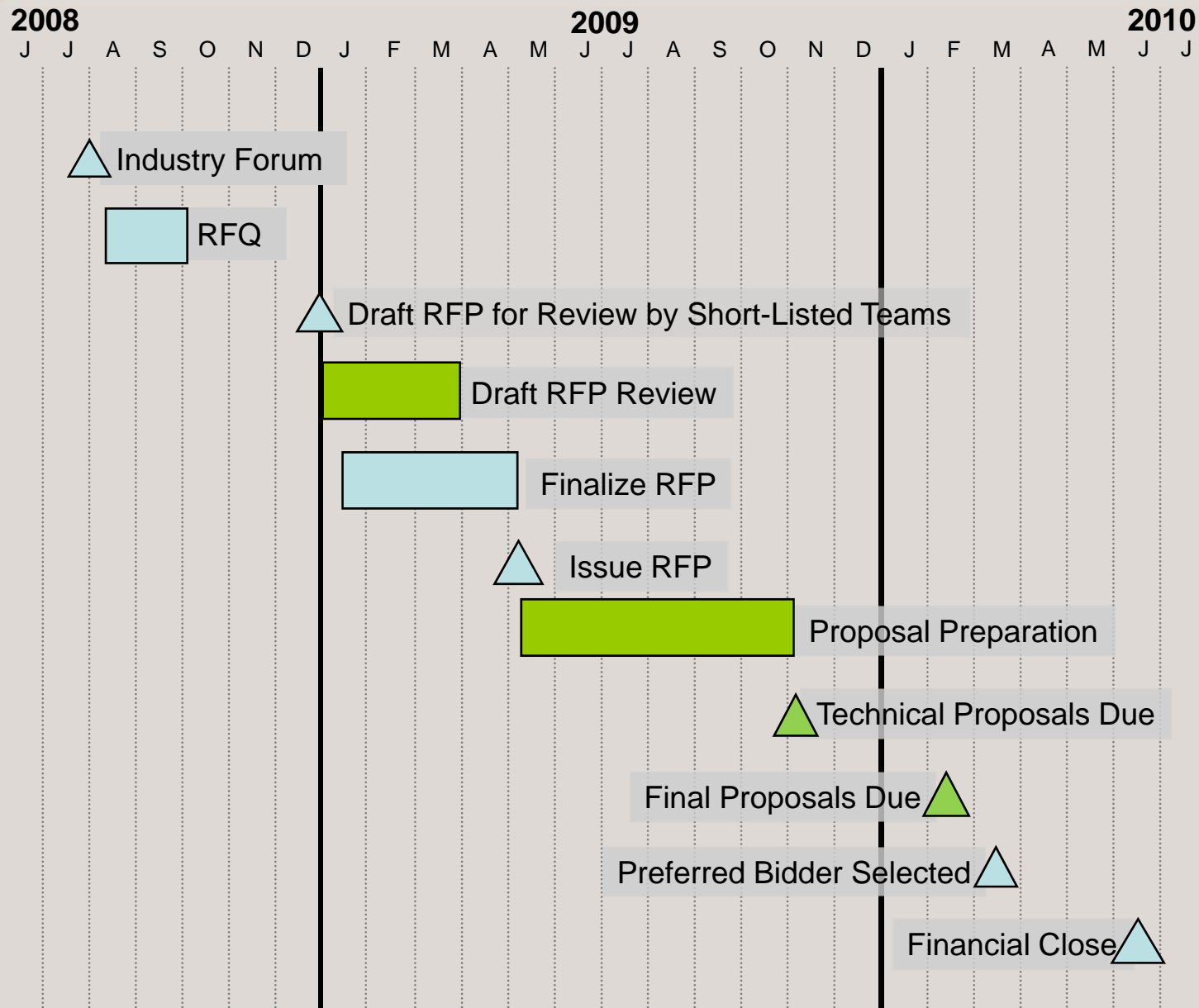
- East and Gold Line corridors
- All commuter rail cars

Finance

- Certain Design-Build elements



Eagle Project Schedule



Concessionaire Team

- Teams consist of:
 - Equity investors/ infrastructure funds
 - Financial firms
 - Operators and maintainers
 - Rolling stock manufacturers
 - Construction contractors
 - Engineering firms

Prequalified Concessionaire Teams

Denver Transit Partners

- Fluor Enterprises, Inc.
- Macquarie Capital Group Ltd
- Ames Construction
- Balfour Beatty Rail, Inc.
- Alternate Concepts, Inc.
- HDR Global Design Consultants
- Arup
- Gannett Fleming
- Orrick, Herrington & Sutcliffe LLP
- Interfleet Technology, Inc.
- Romero and Wilson

Mile High Transit

- John Laing
- HOCHTIEF PPP Solutions
- Bombardier
- Flatiron Corporation
- Archer-Western
- Aldridge Electric
- DMJM-Harris/ AECOM
- CH2M-HILL

Mountain-Air Transit Partners

- Babcock & Brown
- Siemens
- Veolia
- Kiewit
- Herzog
- Stacy and Witbeck
- HNTB Corporation
- Mass. Electric Construction Co.
- Millibank, Tweed, Hadley & McCoy
- Citi
- Merrill Lynch

Outline of Draft RFP

- Three Volumes
 - Volume 1: Instructions to Proposers
 - Volume 2: Concession Agreement
 - Volume 3: Reference Documents

- ***All requirements are subject to change and revision as a result of Board direction, the Environmental Clearance process, review by FTA and industry***

Volume 1: Instructions to Proposers (ITP)

- Overview of project
- Instructions to Proposers regarding delivery and contents of submissions
- Description of evaluation criteria
- Weighting of criteria
- Administrative matters
- Stipend Agreement – to be returned by Proposers by Jan 9, 2009

Pass/Fail Criteria

- Administrative Pass/Fail Requirements
 - The Proposer has provided all documents required to be submitted as part of the Final Proposal
 - The Final Proposal does not contain any significant irregularities rendering it incomplete, indefinite, or ambiguous
 - The Proposer has otherwise complied with the requirements of the ITP
- Financial Pass/Fail Requirements
 - The Proposer has submitted evidence of Equity Commitments and committed debt funding that is sufficient to comply with the requirements
 - The Financial Proposal contains each of the submittals required by the ITP
- Technical Pass/Fail Requirements
 - The Technical Proposal contains each of the submittals required by the ITP

Financial Evaluation Criteria (60%)

- Base Annual Service Payment (BASP) (50 points)
 - The lower the BASP proposed, the higher the score
 - A formula is included in the ITP
- Feasibility of Financial Proposal (7 points).
 - Executability of debt portion of Financing Plan
 - Financing Plan provides evidence of significant development in the financial structuring
 - Evidence of a high level of commitment from Lenders
 - Evidence of technical and insurance due diligence
 - Detailed schedule showing a short time period from award of the Concession Agreement to Financial Close
 - Commitment of Equity Providers and Core Contractors
 - Robustness of Financial Proposal
 - Hedging strategy
- Rolling Stock Option (3 points)
 - Option for RTD to procure additional railcars during first 10 years
 - Price and other factors will be considered in allocating a score

Technical Evaluation Criteria (40%)

- Technical Approach (25 points)
 - Quality of the technical solutions offered
 - Quality of the operations and maintenance plans proposed and commitment to provide and maintain a quality revenue service
 - Quality of proposal for inclusion of safety in design and operation
 - Quality of proposal for integration of components, systems, civil and building works and operations in a systematic manner

Technical Evaluation Criteria cont'd

- Quality of Team and Approach (10 points)
 - Proposer's ability and commitment to deliver a safe Project
 - Proposer's ability and commitment to deliver the Eagle Project with quality assured
 - Proposer's ability and commitment to deliver the Eagle Project on time through a comprehensive management program
 - Proposer's ability and commitment to exceed the system assurance requirements
 - Proposer's experience and key personnel
 - Proposer's DBE and SBE approach, creativity, demonstrated commitment to RTD's DBE and SBE policies and programs, ability to successfully comply with RTD's DBE and SBE requirements
- Value-Added Proposals (5 points)
 - Any Value-Added Proposals will be awarded points in accordance with RTD's determination of the value of such Proposals to RTD

Volume 2: Concession Agreement

- Concession Agreement
 - Principal agreement between RTD and Concessionaire
 - Defines risk allocation for all phases of agreement
 - Includes 24 attachments

Concession Agreement Attachments

- Att. #1: Forms; term sheets for DB and O&M contracts; financial model; Form of Lenders Agreement
- Att. #2: Description of Sites and Availability Schedule
- Att. #3: Details of DUS Infrastructure Agreement
- Att. #4: Material Subcontractors (defined by Proposers)
- Att. #5: RTD Permits

Concession Agreement Attachments

- Att. #6: Contract Data Requirements List
- Att. #7: Design, Construction and Rolling Stock Requirements
- Att. #8: Construction Payments Schedule
- Att. #9: Project and Construction Management
- Att. #10: O&M Specifications
- Att. #11: Service Payments
- Att. #12: Insurance
- Att. #13: Compensation on Termination

Concession Agreement Attachments

- Att. #14: Handover Procedures
- Att. #15: Specified Requirements
- Att. #16: Dispute Resolution Panel
- Att. #17: RTD Change Pricing Conditions
- Att. #18: Environmental Impact Statements and FONSI
- Att. #19: Concessionaire Technical Proposal (defined by successful Proposer)
- Att. #20: Utilities

Concession Agreement Attachments

- Att. #21: List of Intergovernmental Agreements
- Att. #22: List of Railroad Agreements
- Att. #23: Rolling Stock Options
- Att. #24: Reference Data List

Volume 3: Reference Documents

- Contains numerous documents that have been developed during the planning and development phase
- Documents cannot be relied on by Proposers unless specifically referenced from Concession Agreement
- Example Reference Documents include:
 - Alignment drawings
 - Station concepts
 - Detailed rolling stock specification
 - Geotechnical and structural reports

Major Deal Points

- Single Concession Agreement
 - 50 year term including ~5 years design/build
 - Underlying lease of real property and improvements
 - RTD owns all assets at all times
 - Approximately 50% of finance “at-risk” from Concessionaire
 - Proposers committing to firm, fixed cost of design build and indexed firm price for O&M
- Approach builds on lessons learned from TRENCH and contracted bus operations
- Incentives for on budget and schedule adherence

RTD Responsibilities

- Fare policy, revenue and ridership
- Real property acquisition
- Unidentified conditions
- Environmental conditions and clearances
- Energy costs
- Marketing of service

Concessionaire Risks & Responsibilities

- RTD Appropriations
- Cost and schedule
- Design and construction
- Quality
- Utilities
- Operations quality and quantity

Payment Structure

- RTD will make:
 - Construction payments during design/build phase
 - Capped amounts payable based on progress achieved
 - *Annual payments for “federal project”*
 - *Monthly payments for locally funded project components*
 - Service availability payments during O&M
 - Indexed over concession term
 - Adjustable based on performance

Service Payments

- Annual cost indexed to agreed indices
 - An upset cost capped by RTD will be included
 - Actual cost will be based on best bid received
- Payments paid monthly and adjusted for availability and performance
 - Provision of required service
 - On-time performance of trains
 - Station availability
 - Quality and timely maintenance
- Payment adjustments are approximately:
 - Increase of up to 0.5% for perfect delivery
 - Reduced by up to 50% for inferior delivery

QUESTIONS?