Mid-Currituck Bridge Project
P3 Procurement Methodology & Timeline

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Mid-Currituck Industry Forum - May 7, 2008

Procurement Overview Agenda

- Procurement Overview
- General Business Considerations
- Risk
- NEPA Schedule vs. Procurement Schedule
- Procurement Alternatives
  - Alt. 1 - Predevelopment Agreement (PDA)
  - Alt. 2 - Competitive Hard Bid (Non-PDA)
- RFQ and RFP Process

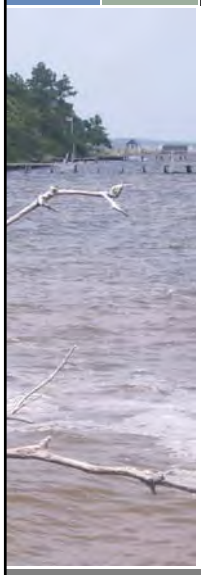
P3 Procurement Overview

- Mid-Currituck is North Carolina's first P3
- NCTA considering two methods of procurement:
  - Predevelopment Agreement (PDA)
  - Competitive Hard Bid
- Industry Forum and 1-on-1 Meetings intended to provide insight on method of procurement & other considerations

General Business Considerations

- Development & Negotiation rights limited to EIS
- Industry Forum and 1-on-1 meetings will also focus on the role of the P3 partner:
  - Design, Construction and Finance (including equity) are mandatory
  - O&M Role
  - Roles: RFQ/RFP will reflect conclusions of NCTA
- Team compositions expected to reflect NCTA guidance in RFQ/RFP

Risk



- NCTA to develop policy, processes and procedures
- Risk allocation will be set out in the PDA agreement and final concession agreement
- Permitting activities may be assigned to developer:
  - Coast Guard
  - USACE 401/404
  - Stormwater
  - CAMA

Risk

- Schedule
  - Permitting delays & challenges
  - Different options for bridge construction methodology and stormwater requirements
- Cost
  - Design exceptions are discouraged
  - Design variances must have NCTA approval
  - Methods of bridge construction and stormwater requirements

Procurement and NEPA Overview

Mid-Currituck Bridge - Timeline	
Procurement	
Industry Forum	May 7, 2008
One-on-One Meetings	May 7-8, 2008
PDA Decision	May 15, 2008
NEPA	
Draft Environmental Impact Statement (DEIS)	August 2008
Final Environmental Impact Statement (FEIS)	May 2009
Record of Decision	August 2009
NEPA Challenge Period Concludes	January 2010

Procurement Schedule - PDA

Mid-Currituck Bridge Procurement Schedule - PDA Approach	
Issue Request for Qualifications	May 26, 2008
Proposers Submit Statements of Qualifications	June 27, 2008
NCTA Announce Shortlisted Proposers	July 18, 2008
Issue Draft Request for Proposals	July 21, 2008
Draft RFP Reviews with Shortlisted Proposers	July-August
Issue Final RFP	September 1, 2008
Proposers Submit Proposals	October 25, 2008
Announcement of Selected Concessionaire	December 12, 2008
Execution of Predevelopment Agreement	January 22, 2009

Procurement Schedule – Non-PDA

Mid-Currituck Bridge Procurement Schedule - Non-PDA Approach	
Issue Request for Qualifications	November 2008
Proposers Submit Statements of Qualifications	December 2008
NCTA Announce Shortlisted Proposers	January 2009
Issue Draft Request for Proposals	February 2009
Draft RFP Reviews with Shortlisted Proposers	February - June 2009
Issue Final RFP	June 2009
Proposers Submit Proposals	September 2009
Announcement of Selected Concessionaire	October 2009
Execution of PPP Agreement	November 2009

One-on-One Meetings

- Personal Introductions
- Forum to get answers for specific NCTA questions
- 50-minute Format; NCTA Board Room
- Understand Industry Concerns
- Gain Insight for Structuring RFQ & RFP
- Last Exchanges Prior to Procurement

One-on-One Meetings

- Procurement: PDA vs. Non-PDA
  - Method
  - Timeframes
  - Pros and Cons
- Developer Role Pre- and Post- Financial Close
- Key Project Drivers
- Risk

Procurement Option 1 - PDA

- Based on industry interest, 2-step anticipated
- Finalize RFQ after Industry Forum & 1-on-1's
- RFQ: 1st Step of 2 Step Procurement
- Intend to shortlist 3-4 qualified Proposers
- Largely based on Experience & Qualifications
- No stipends anticipated
- Proposer teams to be given 4 weeks to submit Statement of Qualifications (SOQ) – target end of June 2008

Procurement Option 1 - PDA

- 2nd Step of 2 Step Procurement
- Comments will be solicited on draft RFP
- Shortlisted Developers to Submit Detailed Technical Proposals per NCTA Defined Criteria
- Selection Largely Based on Project Understanding and Approach (Technical, Financial, Construction, O&M) & Value Proposition
- Proposer Teams Given 8-10 Weeks to Submit Technical Proposals – Target **Early Nov 2008**

Predevelopment Agreement (PDA)

- Defines Developer Role Until Financial Close
- Defines NCTA & Developer Project Contributions
- Assigns Both Parties Rights
- Affords Developer First Right of Refusal to Negotiate a Concession Agreement with NCTA
- Contains Contractual Off Ramps
- Developer expected to provide some level of sweat equity

PDA Developer Activities

- Value Engineering
- Constructability Studies
- NEPA & Permitting Support
- Database Preparation
- Technical Studies
- Preparation of Costing Plans

PDA Developer Activities

- Right-of-Way Negotiation Support
- Preparation of Draft Utility Agreements
- Refined Traffic & Revenue Studies
- Toll Technologies
- Financing Options Exploration
- Commercial Structuring

Procurement Option 2 – Non-PDA

- Based on industry interest, 2-Step anticipated
- Non-PDA RFQ would be similar to PDA RFQ
- RFQ: 1st Step of 2-Step Procurement
- Intend to shortlist 3-4 qualified Proposers
- Largely based on Experience & Qualifications
- Proposer teams to be given 4 weeks to submit Statement of Qualifications (SOQ) – target November/December 2008

Procurement Option 2 – Non-PDA

- 2nd Step of 2-Step Procurement
- Comments will be solicited on RFP and concession agreement
- Shortlisted Developers to Submit Detailed Technical Proposals per NCTA Defined Criteria
- Competitive Hard Bid
- Stipends to Shortlisted Firms to be considered
- Proposer Teams Given Approximately 6 months to Submit Technical Proposals – Target Nov 2009

Mid-Currituck Bridge P3 Summary

PROS

- Project Scope is Coming into Focus
- Project is Excellent Candidate for Value Engineering
- Constructability Issues Make Project Excellent Design-Build Candidate
- Forecast Level 2 T/R Project Revenues Appear to Cover Majority of Project Costs
- Toll Backed Financing to be Non-Recourse to North Carolina

Mid-Currituck Bridge P3 Summary

CONS

- NEPA & Permits Not Yet Secured
- Project May Require Gap Funding
- Long Construction Period Due to Long, Over Water Bridge
- Unstable Financial Markets
- Outer Banks Lack Long Term Traffic Growth Coveted By P3 Concessionaires

NCTA Team

The NCTA Team

- NCTA Executive Leadership – David Joyner, Grady Rankin, Steve DeWitt
- HNTB Corporation – Technical Advisor (Tim Heilmeier)
- Nossaman – Legal Advisor (Karen Hedlund)

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