

Date:	January 17, 2014
Subject:	Questions and Answers
Solicitation Number:	3513R08
Opening Date/Time:	No later than 1:00 pm on January 31, 2014
Addendum Number:	10

To All Proposers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals), including but not limited to questions and answers, which are considered a material part of the solicitation.

Please see the following update:

1. **Question** – 07, Section 6.5, page 20: Section 6.5 requires Lead Contractors to satisfy 67 Pa Code CH 457, as a “general highway contractor” with “unlimited capacity.” Since the majority (greater than 50%, reference Code provision 457.8) of the project is bridge construction, and demolition covered by “Structures” S and T work types, will the Department consider revising the section that members of the consortium, partnership or other form of joint venture members may have either “Structure” S and T work types or “General Highway Contractor” classification and have “unlimited capacity” as defined in 67 Pa Code CH 457.

Answer – Please refer to Addendum 9, issued on January 17. The Department has revised the section cited to provide that each Lead Contractor in the Proposer team that will perform construction shall: (i) be prequalified either (A) to perform structure “S” and “T” work types or (B) as a “General Highway Contractor,” and (ii) have “unlimited capacity,” in each case pursuant to 67 Pa Code CH 457.

2. **Question** – Part A, Section 3.1a, Page 9: Can PennDOT provide any more clarity on the expected size and timing of the milestone payments? Are there any hard limitations to the amount that could be dedicated to the Project?

Answer - PennDOT has not yet determined whether milestone payments will be used for the funding of the project and the respective amounts/timing. However, PennDOT expects that the project will require a substantial amount of private capital.

3. **Question** – Part A, Section 4.3, Page 11: Would PennDOT consider a higher stipend considering the large amount of due diligence required to comprehensively assess the refurbishment cost of ~500 bridges geographically dispersed around the state?

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Answer – PennDOT doesn't intend to make any adjustments to the stipend amount referenced in the RFQ

4. **Question** – Part A, Section 3.1c, Page 9: What are the sources and the amounts of the State and Federal Funds? Would there be a maximum on the annual availability payments, either throughout the concession or at specific periods?

Answer – PennDOT is in the process of developing the payment mechanism and more information will be provided to short listed proposers during the RFP phase

5. **Question** – Part A, Section 5.2, Page 15: As per Form B, an executed teaming agreement or (summary of an unexecuted teaming agreement) is required if a Proposer or any Major-Non Equity Member is a consortium, partnership or JV. This implies that the teaming agreement between the Equity Providers and Lead Contractor needs to be provided, as well as the agreement between the two entities forming our Lead Contractor. It is our understanding that the agreement between the Lead Contractor and the Lead Engineer is not required to be included. Please verify.

Answer – On the assumption that the Lead Engineer is not a member of any Lead Contractor joint venture, we can verify this.

6. **Question** – General Question: The RFQ has indicated that changes to the Proposers Team shall require the consent of PennDOT. It is our understanding that this would pertain to Key personnel, Equity Members, Guarantors and Major Non-Members. Please verify that “Value Added” entities proposed may be changed without consent.

Answer – Pursuant to RFQ Section 6.7 (Change in Proposer Organization), PennDOT reserves, without limitation, the right to disallow any of the changes described in RFQ Section 6.7(a) through (d) (inclusive).

7. **Question** – Part A, Section 6.5, Page 20: This section addresses the capacity rating of each Joint Venture member required to be selected as a short-listed proposer as “unlimited financial capacity”.

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Please verify that “unlimited financial capacity” is defined as a maximum capacity in excess of \$100 million.

Answer – Yes, we confirm.

8. **Question** – Part B, Appendix 2, Section 1, Page 33: In this section the RFQ states, “With reference to no more than 15 projects (each of which must have commenced construction during the past eight years) in the aggregate...” Given the duration of many of these larger projects, we would request that this provision be changed “...must have commenced or completed construction during the past eight years.)”.

Answer – Please refer to Addendum 9, issued on January 17. The issuing office will allow projects that have “commenced or completed construction during the past eight years” to be included. But the information provided must include the date construction began and the anticipated completion date.

9. **Question** – General: Would you be able to provide PennDOT’s TAX ID no?

Answer – The Issuing Office will provide it as necessary pursuant to a written request accompanied by a justification that presents an adequate basis for disclosure..

10. **Question** – Prequalification of Lead Contractor Part A – Section 6.5 Page 20; Current text “With respect to any Lead Contractor that is a consortium, partnership or other form of joint venture the requirements of 67 Pa. Code § 457.15 shall not apply to this Project.” Please confirm that an LLC is included as an “other form of joint venture”.

Answer – No. Any legal “entity” that serves as the Lead Contractor is subject to the requirements of 67 Pa. Code § 457.15. The purpose of the exception set forth in RFQ Section 6.5 is to acknowledge that neither a consortium, partnership nor another form of joint venture (in the legal sense) is an “entity” incorporated or organized to serve as the Lead Contractor.

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- 11. Question** – Clarification on container requirements for SOQ submittal Part A – Section 5.2 Format Page 15 “The original SOQ and each copy shall consist of two (2) volumes, each volume in a loose-leaf three ring binder, the original and each copy contained in sealed containers.” Please clarify if the entire SOQ should be submitted in two (2) containers (original in one container and all copies in a separate container), in three (3) containers (original in one container, all copies of Volume 1 in one container and all copies of Volume 2 in one container) or in sixteen (16) containers (original in one container and one complete copy in each of the other fifteen (15) containers).
- Answer** – PennDOT will accept, as compliant with the portion of Part A, Section 5.2 cited, the submission of the original SOQ in one container and all copies thereof in a separate container.
- 12. Question** – Published Bridge List Part A – Section 2.1.1 Project Characteristics First Paragraph last sentence. Page 4 “The eligible bridges are listed in order of PennDOT’s current priorities...” The list published seems to have two groups of bridges (615, and 382) with each group sorted by district. Is there another sort of these bridges strictly by priority?
- Answer** – PennDOT has identified the first 615 bridges on the list as having relative priority over the remaining 382. PennDOT does not intend to post another list at this time.
- 13. Question** – Definition Clarification Part A – Section 2.1.1 Project Characteristics 6th sentence Page 4 “It is intended that all Replacement Bridges will be replaced in kind.” Please clarify that replaced in kind refers to bridge capacity and not materials of construction or aesthetics.
- Answer** – PennDOT is in the process of developing a more refined scope for each bridge to be replaced. More information will be provided to shortlisted proposers during the RFP phase
- 14. Question** – Do administrative letters such as Bank Support Letters, Statements of Personnel Commitment and Approach to Equity Funding Letters count towards the page limit for Volume 1 of the SOQ? This would seem to penalize consortiums that choose to attach more bank letters to demonstrate the strong support they have, or those that have a large team of experienced, key personnel from different firms.

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Answer – Such letters may be submitted as part of RFQ Volume 2 (for which there is no page limitation).

- 15. Question** – Given the complications we encountered in navigating the regulations for pre-qualification requirement as specified in the RFQ, and the time involved in forming a team for this uniquely complex project, OHL would respectfully request a one month delay to the SOQ Due Date – from January 31, 2014 to February 28, 2014. The granting of the extra time will greatly assist in delivering a solid SOQ in response to the RFQ. [Note: OHL resubmitted this question again using a PDF file to ensure a ‘formal version’ the request was submitted]

Answer – Please refer to Addendum 9, issued on January 17. The deadline has been extended one week to 1:00 PM ET, Friday, February 7.

- 16. Question** – Question 8, Section Appendix 4 - Section 3 Off-Balance Sheet Liabilities, Page 40: In many cases the positions of Chief Financial Officer or Treasurer do not exist for an entity. Could we amend the wording for who can certify the Off-Balance Sheet Liability Letter to beyond the CFO or Treasurer? Suggested wording: "A letter from the Chief Financial Officer or Treasurer of the entity (or, if neither of these positions exist for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification), ..."

Answer – PennDOT accepts this change, please refer to Addendum 9, issued on January 17.

- 17. Question** – Question 9, Appendix 3, Section 3.(a), Page 35: In many cases the positions of Chief Financial Officer or Chief Investment Officer do not exist for an entity. Could we amend the wording for who can certify the Equity Funding Letter to beyond the CFO or Chief Investment Officer? A Letter from the Equity Member’s CFO or Chief Investment Officer (or, if neither of these positions exist for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification) indicating the extent to which..." (Note: Same question, different page reference)

Answer – PennDOT accepts this change, please refer to Addendum 9, issued on January 17.

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18. Question – Question 10, Appendix 4, Section 4 Form F, Page 40: In many cases the positions of Chief Executive Officer, Chief Financial Officer or Treasurer do not exist for an entity. Could we amend who can certify Form F to beyond the CEO, CFO or Treasurer? Suggested wording: "Form F shall be certified by the chief executive officer, chief financial officer or treasurer (or, if neither of these positions exist for an entity, an individual who serves in an equivalent capacity and whose title shall be specified in the certification) of the entity providing the information." (Note: Same question, different page reference)

Answer – PennDOT accepts this change, please refer to Addendum 9, issued on January 17.

19. Question – A literal interpretation of the first two sentences of Section A.7.4.1 (page 25) suggests that legal and financial advisors may be able to participate as members of more than one Proposer team as long as they are neither "Equity Members" (as defined in Section A.1) nor "Major Non-Equity Members" (also as defined in Section A.1)? Was that what was intended, and, if so, may we assume this would be the case even if such advisors were considered "key personnel" by the Proposer(s) and listed as such on Appendix 1?

Answer – The exclusion in the second sentence of RFQ Section 7.4.1 is not intended by PennDOT to permit "treeing" or similar arrangements by professional advisors, consultants or Key Personnel across multiple Proposer teams.

20. Question – The following question #11 requires an immediate response to all proposers in order to appropriately respond to the RFQ: Reference: Section 4 of Appendix 1: Please clarify if the individuals listed under part (f) are considered Key Personnel and we are required to provide a resume for each one of them?

Answer – This confirms that the individuals listed under part (f) are Key Personnel and accordingly the resume of each such person is required by the RFQ.

21. Question – Part A, section 2.1.1, Page 5: Please clarify the parameter of the statement "It is intended that all Replacement Bridges will be replaced in kind"

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Answer – PennDOT is in the process of developing a more refined scope for each bridge to be replaced. More information will be provided to shortlisted proposers during the RFP phase.

- 22. Question** – General Question: How will PENN DOT organize themselves (i.e. will a central office handle the projects or will each district be in charge of the bridges in their area)?

Answer – More information will be forthcoming regarding PennDOT’s organization during the RFP phase.

- 23. Question** – General Question: What will be PENNDOTs role in ROW and Permits?

Answer – More information will be forthcoming regarding PennDOT’s organization during the RFP phase.

- 24. Question** – General Question: What is the extent of the concessionaire’s role in PR?

Answer – Please see RFQ Section 7 (Communications, Public Information, and Organizational Conflicts of Interest) of the RFQ, including Section 7.5 (News Releases) thereof. Further information concerning responsibilities for public relations will be provided to Short-listed Proposers.

- 25. Question** – Form F on RFQ page 55 states “(IF AN EQUITY MEMBER OR A LEAD CONTRACTOR IS RELYING ON A PROPOSED GUARANTOR, THEN ONLY THE PROPOSED GUARANTOR SHOULD COMPLETE THIS FORM)”; however Appendix 4, Financial Qualification – Summary Financial Information – Form F on RFQ page 40 states “A completed Form F summarizing the financial information for the Proposer, each Equity Member, each Lead Contractor and each Proposed Guarantor” is required. Please clarify which entity / entities should submit Form F in the event a Proposed Guarantor is being relied upon.

Answer – If an equity member or lead contractor is relying on a proposed guarantor, then only the proposed guarantor should complete Form F within the RFQ.

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26. Question – Part A, Section 7.2.1 Page 24: This sections states “Any Proposer who determines that it must divulge such information as part of its SOQ must submit the signed written statement described in this Part A, Section 7.2.3 and must additionally provide a redacted version of its SOQ submission, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.”. What is the required format for the submission of this redacted version, i.e. are 16 copies of this redacted version required as well, or would just 1 version or an electronic version suffice?

Answer – One redacted version of the information is sufficient and should be in electronic form.

27. Question – Part B, Appendix 2, Section 1, Page 33: This section states each project must have commenced construction during the past eight years. If a project commenced outside the 8 year window, but relevant components of the project started during the last 8 years is it acceptable to submit that project as relevant experience?

Answer – PennDOT accepts this request, please refer to Addendum 9, issued on January 17.

28. Question – Reference Section 1, SOQ page 3 In Section 1. and other places in the RFQ, the Lead Engineer is defined as “each member of the relevant consortium, partnership or other form of joint venture”. If the Lead Engineer engages an exclusive sub-consultant, as typically is done on traditional consultant proposals, does this meet the definition previously described and can that sub’s project and personnel be considered part of the Lead Engineer’s qualifications and be used in the SOQ?

Answer – No

29. Question – Reference Addendum 7 Addendum 7, Question #21 asked to have all of Appendix 3, Section 3: Approach to Financing moved to Volume #2 due to the confidential nature of the material. PennDOT’s answer confirmed the information is exempt from public records disclosure, but indicated its placement in the SOQ was not relevant. This seems contrary to the RFQ and we seek clarification given the following:

In Section 7.2.1 Confidential Information, the RFQ states (emphasis added):

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“PennDOT is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of an SOQ submission in order to evaluate SOQs submitted in response to this RFQ. Accordingly, except as provided herein, Proposers should not label SOQ submissions as confidential or proprietary or trade secret protected. Any Proposer who determines that it must divulge such information as part of its SOQ must submit the signed written statement described in this Part A, Section 7.2.3 and must additionally provide a redacted version of its SOQ submission, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.”

In Section 7.2.3 Public Disclosure, the RFQ states (emphasis added):

“After the award of a PPA pursuant to this procurement, all SOQ submissions may be subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If an SOQ submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the SOQ submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Financial capability information included in Volume 2 of the SOQ is exempt from public records disclosure under 65 P.S. § 67.708(b) (26).”

PennDOT states in RFQ Section 7.2.1 that it is not requesting, and does not require, confidential information to evaluate SOQ submissions, except as it specifically acknowledges in RFQ Section 7.2.3 that financial capability information in Volume 2 is exempt from public disclosure under 65 P.S. § 67.708(b)(26). According to language in the RFQ, it appears that PennDOT’s intent is that Volume 1 not contain any confidential information (as all information included in Volume 1 may be subject to disclosure after the project is awarded in response to a public records request under Pennsylvania Right-to-Know Law, unless it is considered exempt and redacted by a Respondent under 65 P.S. § 67.708(b)(11) from public records requests) and all acknowledged confidential information by the RFQ to be included in the SOQ is included in Volume 2.

PennDOT’s Answer to Addendum 7, Question #21 specifically acknowledges, however, that all financial information requested in RFQ Appendix 3, Section 3 Approach to Financing, which is to be submitted in Volume 1 of the SOQ “is exempt from public records disclosure under 65 P.S. § 67.708(b)(26)”.

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Given the above described apparent discrepancy in PennDOT's intent regarding confidential information between RFQ Sections 7.2.1 and 7.2.3 and its response in Addendum 7, Question #21, Respondent asks that PennDOT again consider, as seems to be the original intent of the RFQ, moving all information that is already acknowledged as exempt by PennDOT, or that is traditionally considered confidential by Respondents in the industry from public records disclosure under 65 P.S. §§ 67.708(b)(11) & 67.708(b)(26), to Volume #2 of the SOQ. Specifically this would include, in addition to all financial documents:

1. Form C
2. Teaming Agreements
3. Appendix 3, Section 3: Approach to Financing
4. Appendix 6 Legal Liabilities

The Respondent believes this request would both:

1. Ease the redacted SOQ process for PennDOT, as the great majority of redactions would be moved to one volume of the SOQ that can easily be removed and managed by PennDOT.
2. Provide security to all Respondents that all information that is commonly considered confidential in the industry would be confined to one volume of the SOQ that is easily excludible from any public records disclosure request.

Answer – Please note that the location of the referenced information in the SOQ as such does not determine whether such information is exempt from the requirement of disclosure pursuant to the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. Please refer to such law for exemptions from the requirement of disclosure provided therein.

30. Question – RFQ Part A Sections 7.2.1 and 7.2.3 Can PennDOT please confirm that, in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq, only the redacted version of the SOQ submitted to PennDOT by the Respondent will be released to a requesting party? Please describe the circumstances under which PennDOT would release anything but the redacted version of the SOQ (including, but not limited to, and in any part or its entirety, the original hard copy of the SOQ submitted to PennDOT, any one of the 15 copies of the hard copy of the SOQ submitted to PennDOT, or the electronic copy or version of the SOQ in searchable and printable pdf

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format submitted to PennDOT) in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq.

Answer – Confirmed: Only the redacted version of the SOQ submitted to PennDOT by the Respondent will be released to a requesting party under the Pennsylvania Right-to-Know-Law. PennDOT would only release an unredacted version of the SOQ (including, but not limited to, and in any part or its entirety, the original hard copy of the SOQ submitted to PennDOT, any one of the 15 copies of the hard copy of the SOQ submitted to PennDOT, or the electronic copy or version of the SOQ in searchable and printable pdf format submitted to PennDOT) if directed to do so pursuant to a final decision by the Pennsylvania Office of Open Records acting in accordance with the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. (unless such decision is timely appealed and the order is overturned on such appeal). See Pennsylvania Right-to-Know-Law, 65 P.S. § 67.706 (Redaction).

31. **Question** – RFQ Part A Sections 7.2.1 and 7.2.3 From RFQ Part A, Section 7.2.1, for the redacted version of the SOQ submission which removes the confidential proprietary information and trade secrets in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests, please clarify the submission process for the redacted version.

Question – Is electronic submission only of the redacted version sufficient?

Answer – No.

Question – How many copies of the redacted electronic submittal are required?

Answer – One copy.

Question – What formats will be accepted?

Answer – Physical

Question – What are the labeling requirements?

Answer – See RFQ Section 7.2.3

Question – If electronic submission of the redacted version is not sufficient: How many hardcopies of the redacted submittal are required?

Answer – One hard copy.

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Question – What are the labeling requirements of the redacted Volumes?

Answer – See RFQ Section 7.2.3

Question – Submittal schedule for redacted copy? Does it need to be submitted concurrently with the SOQ?

Answer – Yes.

Question – Does redacted copy need to include the equivalent pages from the original SOQ, and include pages that somehow indicate “REDACTED” for each page that has been redacted?

Answer – Yes to both questions.

32. Question – RFQ Part A Sections 7.2.1 and 7.2.3 Should Respondent include a list detailing all information it identifies as proprietary or confidential in nature in the letter required in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt from public disclosure under 65 P.S. § 67.708(b)(11), or acknowledged to be exempt from public disclosure by PennDOT under 65 P.S. § 67.708(b)(26)?

Answer – Yes.

33. Question – RFQ Part A Sections 7.2.1 and 7.2.3 Where in the SOQ should Respondent include the signed written statement identifying proprietary or confidential information in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests? If this statement is to be included in Volume 1 of the SOQ, does it need to be included in the sequentially numbered pages, and will it count against the page limit?

Answer – Please append the signed written statement to the front of the redacted material. None of the pages of such signed written statement shall count toward any page limit.

34. Question – Appendix 1 Section 4, sixth paragraph, RFQ page 32 This paragraph stipulates that references shall be previous owners or clients. In many cases on DOT jobs, the owner will contract the Construction Management to a consultant and in these cases a representative of the consultant fills the role of the Resident Engineer. May the proposer use a reference who has filled the role of a DOT

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representative, such as a Resident Engineer, but is not a DOT employee, but rather an employee of the consultant?

Answer – The Proposer may use as a reference a party that is not an employee of a DOT but has performed the functions of a Resident Engineer for the DOT as an employee of a consultant to the DOT.

35. Question – The following is submitted as a follow up to the Pre-Qualification Discussion of 1-9-2014:

RFQ Section 6.5, as revised by Addendum 4, appears to require that to the extent that the Lead Contractor is a consortium, partnership or other form of joint venture, each member of the Lead Contractor must be prequalified as a “general highway contractor” with “unlimited financial capacity.” Such a requirement would preclude participation by construction companies that are prequalified “to bid on projects in which the types of work for which [they are] classified constitute at least 50% of the project,” as set forth in 67 Pa. Code § 457.5 (d). We therefore propose that the definition of the “Lead Contractor” and that Section 6.5 be revised as follows:

1.0 Key Definitions

“Lead Contractor” Means the entity primarily responsible for the design, construction and engineering elements of the Project that will act as the prime subcontractor to the Development Entity, provided that if the relevant entity is a consortium, partnership or any other form of a joint venture, each member of the relevant consortium, partnership or other form of joint venture shall be a Lead Contractor. If the Lead Contractor is a consortium, partnership or other form of joint venture, each member that is performing construction activities shall be a prequalified contractor that is capable of performing at least 50% of the original contract price of the participant’s portion of the joint venture, as required by 67 Pa. Code § 457.15 (c). If a member of the consortium, partnership or other form of joint venture is performing non-construction activities such as design or engineering, there is no prequalification requirement.

6.5. Prequalification Requirement for Lead Contractor(s)

Subject to the following, the Project is being procured in accordance with the requirements of 67 Pa. Code CH. 457. A Short-listed Proposer will only be capable of submitting a proposal to the extent that each Lead Contractor performing construction activities in its Proposer team is prequalified, pursuant to 67 Pa. Code CH 457, as a “general highway contractor” with “unlimited financial capacity” at the time

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of proposals are due. To the extent that the Lead Contractor is a consortium, partnership or other form of joint venture, each member of the Lead Contractor performing construction activities shall be capable of performing at least 50% of the original contract price of the member's portion of the Lead Contractor.

Answer – Please see Addendum 9, issued on January 17.

36. Question – Issue: Volume 1 – 80 Page Limit

Part A – 5.2. Format, Appendix 3, 3. Approach to Financing (a), Pages 15, 35

Appendix 3, 3. (a) Requires a letter from the Equity Member's CFO or Chief Investment Officer.

Please consider excluding the letters required by Appendix 3, 3. (a) from the Part A – 5.2 - 80 page count.

Answer – Such letters shall be excluded from the relevant page count.

37. Question – Issue: Volume 1 – 80 Page Limit

Part A – 5.2. Format, Appendix 3, 3. Approach to Financing (d), Pages 15, 35

Appendix 3, 3.(d) Requires at least three, but no more than five letters from underwriters or from commercial banks...

Please consider excluding the letters required by Appendix 3, 3. (d) from the Part A – 5.2 - 80 page count.

Answer – Such letters shall be excluded from the relevant page count.

38. Question – Issue: Volume 1 – 80 Page Limit

Part A – 5.2. Format, Appendix 6. Legal Liabilities, Pages 15, 42

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Appendix 6, Requires a list and brief description of all instances during the last five years involving transportation projects in North America and those projects listed pursuant to Section 1 of Appendix 2 in which the Proposer, any Equity Member, any Major Non-Equity Member or any affiliate of the foregoing was (i) determined, pursuant to a determination in a court of law, arbitration proceeding or other dispute resolution proceeding, to be liable for a material breach of contract, or (ii) terminated for cause.

Please consider excluding the list required by Appendix 6 from the Part A – 5.2 - 80 page count.

Answer – Such letters shall not be excluded from the relevant page limit.

39. Question – Issue: Allowed content for 11” X 17” pages

Part A – 5.2. Format (b), Page 15

The fourth sentence of Part A – 5.2. (b) reads “ 11” X 17” pages are allowed (and shall be included in the page count if contained in Volume 1 of the SOQ) for Form D, Form E, Form F, schematics, organizational charts, other drawings or schedules, but not for narrative text.”

Please consider revising sentence to the following:

“ 11” X 17” pages are allowed (and shall be included in the page count if contained in Volume 1 of the SOQ) for Form D, Form E, Form F, schematics, organizational charts, other drawings, schedules, or tables, but not for narrative text.”

Answer – PennDOT cannot accommodate this request.

40. Question – Section 5.2, Page 15

In addition to the modifications already made in Addendum 6 to the overall page count of Volume 1, we request that the following items also be excluded from the 80-page limit:

1. Forms D and E of Appendix 2;

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2. Individual letters responding to Appendix 3, Section 3.(a) (Equity Funding Letters)
3. Individual letters responding to Appendix 3, Section 3.(d) (Lender Support Letters)

Answer – Such letters shall be excluded from the relevant page limit.

41. Question – Part B, Volume 2, and Addendum 7, Question 7., Page 30

Public Private Partnerships bring together multiple firms to deliver infrastructure projects, many of which are private entities with obligations of confidentiality regarding corporate financial materials. While such information is customarily made available to clients, such confidential information is made available to consortium partners on a limited basis and generally only to a limited few specific individuals within the consortium partners. Accordingly, industry practice is to allow for private entities to submit confidential information such as corporate financial statements, summary financial information, reports of material adverse changes, off-balance sheet liabilities and litigation/legal matters to be provided in sealed envelopes. We respectfully ask PennDOT to consider following industry practice and allow firms the option to seal requested financial information within the required volumes of the submission. We recognize the use of a sealed envelope in the qualification submission does not create additional PennDOT obligations with respect to maintaining confidentiality of the relevant materials beyond what is already stated in the RFQ.

Answer – PennDOT will not grant this request.

42. Question – Section 6.5, Page 20

Our team is experienced in P3 and design-build and has structured ourselves in an integrated fashion that is consistent with our current and past pursuits throughout North America. This includes having affiliated entities of individual firms participating in multiple roles on the project. Our experience has shown that this structure aligns the interests of the participating parties, offers direct economies and provides for a better overall partnership. We do not in any way wish to subvert the Department's responsibility in respect to prequalification and compliance with Pa Code but we ask that you give thoughtful consideration to the following question. The question relies upon PennDOT modifying the RFQ to be consistent with common industry practice and Pa Code to allow another classification (Structures) to bid this work in addition to "general highway contractor." We are not asking to

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supplement the general highway contracting requirement but rather expand it to allow specialty contractors to join Lead Contractors consistent with Pa Code.

Our consortium consists of three members two of which hold “general highway contracting” with unlimited financial capacity” classification (majority interest); the third member which is associated with our Lead Designer holds a “Structures” classification with unlimited financial capacity all of which as defined in 67 Pa Code 457.

Since a majority of the project is bridge construction, and demolition covered by “Structures” S and T work type classifications and Pa Code 457.5(d) finds that a contractor is eligible to bid on projects in which types of work constitute 50% of the project; will the Department consider revising section 6.5 of the RFQ that members of the consortium, partnership or other form of joint venture members may have either “Structure” S and T work types or “General Highway Contractor” classification and have “unlimited financial capacity” as defined in 67 Pa Code CH 457.

Answer – Please see Addendum 9, issued on January 17.

43. Question – Appendix 3, Part 3, Item (d) Given the fact that this project is currently in the RFQ stage, and given that the terms and conditions of the commercial agreement for the concession have not yet been released, we would raise several issues regarding the requirement in this section to provide 3 to 5 letters from underwriters or commercial banks indicating that the Proposer is capable of securing, managing and bringing to financial close the financing of a project of the size and nature comparable to the Project.

1. There appear to be a significant number of bidding teams looking to submit their SOQs in response to your RFQ. This raises the potential that there are not enough banks to satisfy all the parties involved, assuming you are looking for letters from underwriters and commercial banks that are active in the P3 space, and which have the capability of participate in this transaction.

2. It is likely that any letter from an underwriter or commercial bank will contain numerous caveats and conditions to any statement about a Proposer’s “capability off securing, managing or bringing to financial close the financing of a project of the size and nature comparable to the Project”, again given the current state of the commercials term between the successful Proposer and PennDOT. These caveats

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would seem to undermine the intent of this request and likely make such letters less indicative off the real level of interest from the lending community.

We would request that PennDOT defer the requirement to provide these reference letters until the RFP stage when a more definitive statement of capability can be submitted by the underwriters or commercial banks based on the risk allocation of the transaction.

We could also suggest that your advisors should be in a position to survey the lending community to better understand the conditions under which this transaction would attract the required level of interest. And given such conditions, get sufficient feedback on the appetite of the current financial market.

Failing PennDOT's agreement to defer this requirement, we would further request clarification from PennDOT on the need for such a significant number of bank letters per Proposer (perhaps 1 or 2 letters would suffice). We would also seek clarification from PennDOT that if such letters do arrive with certain caveats/conditions, PennDOT will still deem these letters as being in compliance with the requirements of this section of the RRFQ.

Appendix 5, Item (b) Given the fact that this project is currently in the RFQ stage, and given that the terms and conditions of the commercial arrangement have not yet been released, we would request that Item (b) be modified to read:

A bank or financial institution indicating a willingness, without conditions or qualifications, to issue a letter or letters of credit for the Lead Contractor in the aggregate amount t of \$250 million

Answer

Question 1: PennDOT doesn't require that banks or underwriters providing letter of support are exclusive to a respondent

Question 2: Such letters of support are customary in the US P3 market

- 44. Question** – Section 6.5, Page 20: Section 6.5 requires Lead Contractors to satisfy 67 Pa Code CH 457, as a “general highway contractor” with “unlimited capacity.” Since the majority (greater than 50%, reference Code provision 457.8) of the project is bridge construction, and demolition covered by “Structures” S and T work types, will the Department consider revising the section that members of the

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consortium, partnership or other form of joint venture members may have either “Structure” S and T work types or “General Highway Contractor” classification and have “unlimited capacity” as defined in 67 Pa Code CH 457.

Answer – Please see Addendum 9, issued on January 17.

45. Question – Please extend the SOQ submission deadline by 4-6 weeks.

Answer – The submission date will be extended until 1 PM ET on February 7.

46. Question – Please clarify further the number of bridges to be included in the project.

Answer – We expect the final number of bridges to be between 550 and 650.

47. Question – Please clarify the scope of the Developer's maintenance responsibilities.

Answer – The goal for PennDOT is to have the Developer be responsible for capital and lifecycle maintenance for the assets constructed under this project. PennDOT will be responsible for routine operations activities. The specific maintenance requirements will be detailed in the Request for Proposals, in the Technical Provisions. Also, please see section 2.4 of the RFQ.

48. Question – Please clarify the handover condition requirements at the end of the term of the PPA.

Answer – Consistent with best practices in the United States P3 market, the RFP will set forth the handback requirements in detail, but the expectation is that the bridges will be required to be handed back to the Department in a condition that ensure residual life at the point of handback. Further, bridges will not be expected to be handed back to the Department in “as new” condition.

49. Question – Please clarify the Developer's responsibilities with respect to Right of Way, Permitting and Utilities.

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Answer – Proposers should assume that the Developer will be required to undertake all utility adjustment work and take responsibility for the procurement of all permits (with the anticipated exclusion of permits to be issued in accordance with the National Environmental Policy Act, 1969 and certain permits that the Department intends to procure in respect of the Early Completion Bridges). Proposers should also assume that the Department may, to some extent, require the Developer to take responsibility for right of way acquisition. However, it is not anticipated that the Developer will be responsible for funding any required right of way. More detail in respect of these issues will be set forth in the RFP.

50. Question – Please confirm that the technical requirements for the project will be based on Pub 408.

Answer – The technical requirements will be released to Shortlisted Proposers with the draft RFP. It is anticipated that the technical requirements will be performance based and specific to this project and will be put together based on a combination of Pub 408 and experience from other P3 similar projects in the United States.

51. Question – Please increase the page limit for Volume 1 and allow more discussion of capabilities of construction firms.

Answer – The page limit for Volume 1 will not be increased, but Proposers should note the contents of Addendum 6 which, in part, confirmed those documents that will not count towards the page limit for Volume 1.

52. Question – Please increase the number of short-listed firms from 4 to 5, provided that many get through pass/fail portion of RFQ.

Answer – Consistent with best practice in the United States, the Department intends to select 3 or 4 Shortlisted Proposers.

Please note that following this Addendum shall be issued an updated version of the Request for Qualifications in this procurement, in the form of a redline marked against the original Request for Qualifications, incorporating cumulatively all changes previously made by Addenda to such Request for Qualifications and any



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further clarifying revisions required.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous Addendum(s), remain as originally written.

Regards,

Bryan A. Kendro, Director
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