

# I-495/I-95 (Capital Beltway) Congestion Relief Improvements from the American Legion Bridge to the Woodrow Wilson Bridge

## I-270 Congestion Relief Improvements from I-495 to I-70

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### *Response to Request for Information*

Submitted on December 20, 2017



**MDOT State Highway Administration**

Jeffrey T. Folden, P.E., DBIA

Chief, Innovative Contracting

Submitted to: [I495\\_I270\\_P3@sha.state.md.us](mailto:I495_I270_P3@sha.state.md.us)

**RESPONSE TO REQUEST FOR INFORMATION REGARDING THE I-495/I-95 (CAPITAL BELTWAY)  
CONGESTION RELIEF IMPROVEMENTS FROM THE AMERICAN LEGION BRIDGE TO THE WOODROW  
WILSON BRIDGE AND I-270 CONGESTION RELIEF IMPROVEMENTS FROM I-495 TO I-70**

Dear Mr. Folden,

We are pleased to respond to the Request for Information issued by the Maryland Department of Transportation (“MDOT”) on September 21, 2017 regarding the I-495/I-95 (Capital Beltway) Congestion Relief Improvements from the American Legion Bridge to the Woodrow Wilson Bridge and I-270 Congestion Relief Improvements from I-495 to I-70 (“the Project”).

HOCHTIEF PPP Solutions North America, Inc. and Flatiron Constructors Inc. are submitting a response to the RFI to share our deep knowledge of the benefits of Public Private Partnership (P3) project delivery approaches for the Project in preparation of the procurement for the Project and to express interest in delivering the Project.

HOCHTIEF PPP Solutions and Flatiron are both wholly owned by HOCHTIEF AG (“HOCHTIEF”). HOCHTIEF is one of the largest global construction service providers and its subsidiary Flatiron, is one of the leaders in successfully delivering design-build projects as well as complex infrastructure P3 projects in North America. HOCHTIEF PPP Solutions has successfully closed 7 P3 projects in the past 8 years in North America. Having developed more than 55 P3 projects globally, HOCHTIEF PPP Solutions is one of the most experienced P3 developers in the world and has the expertise and financial capacity to deliver a first class project and achieve best value for money in a partnership with MDOT.

As exemplified on other P3 Procurements in North America, we are an innovative and competitive contender in the US P3 market, providing high quality proposals and seeking collaboration with MDOT for the overall benefit of the Project.

Please refer to our detailed response for further information. We would be pleased to support you with additional information and offer our participation in a one-on-one meeting.

Should you have any questions regarding our submission please contact our authorized representative, Mr. Roberto Friedrich.

Sincerely,

HOCHTIEF PPP SOLUTIONS NORTH AMERICA INC.



Roberto Friedrich  
Vice President

FLATIRON CONSTRUCTORS INC.



John Couture  
Vice President



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## CONTACT INFORMATION

### Authorized Representative:

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**a. General**

**1. Please describe your firm, its experience in relation to P3 projects, and its potential interest in relation to these potential congestion relief improvements.**

HOCHTIEF PPP Solutions North America, Inc. is a subsidiary of HOCHTIEF Aktiengesellschaft (“HOCHTIEF”), which is one of the largest providers of construction-related services worldwide, with around 51,000 employees and revenues of \$21 billion in 2016, thereof around \$11.5 billion in North America (via its 100% subsidiaries Flatiron and TURNER). HOCHTIEF AG has successfully developed more than 55 P3 projects worldwide, including 2,600 lane miles of highways, 55 miles of tunnels, 450 buildings, six airports and 880 miles of railways. In North America, HOCHTIEF has closed 7 P3s in the past six years with equity investments made by HOCHTIEF.

Flatiron Constructors, Inc. is one of the largest U.S. civil contractors and specializes in developing innovative solutions to build roads, bridges, tunnels, rail transit, transmission lines, water treatment plants, and other major infrastructure projects. The firm has delivered 25+DB/P3 projects in North America.

**Joint HOCHTIEF and Flatiron P3 Project Experience**

**New Champlain Bridge,  
Montreal, Quebec**



Investment Volume: \$1.9 billion +  
Project Scope: Contract to design, build, finance and maintain the new Bridge over the St. Lawrence River  
Contract Period: 2015–2049  
Status: Financial Close achieved in May 2015, Under Construction

**Presidio Parkway,  
San Francisco, California**



Investment Volume: \$300 million +  
Project Scope: Contract to design, build, finance and maintain parts of the new Presidio Parkway, which is the major access road to the Golden Gate Bridge from downtown San Francisco  
Contract Period: 2012-2045  
Status: Financial Close in 2012, Substantial Completion achieved in 2015, Under Operation

**Northeast Anthony Henday Drive,  
Edmonton, Alberta (NEAH)**



Investment Volume: \$1.2 billion +  
Project Scope: Contract to design, build, finance and maintain the final 16 mile section of the Edmonton Ringroad, Under Operation  
Contract Period: 2012-2046  
Status: Financial Close achieved in May 2012, Substantial Completion achieved in 2016, Under Operation

## Extract of other P3 Project Experience of HOCHTIEF PPP Solutions

### A8 highway, Germany



Investment Volume: \$595 million  
Project Scope: Contract for the design, build, finance, maintenance and operation of a 36 mile section of the A8 highway between Ulm and Augsburg  
Contract Period: 2011–2041  
Status: Under Operation

### Vespucio Norte Express, Chile



Investment Volume: \$750 million  
Project Scope: Contract for the design, build, finance, operation and maintenance (including multi lane free-flow tolling) of a 18 mile section of the beltway around Santiago de Chile  
Contract Period: 2003 - 2033 (interest sold after successful development, timely completion and operational start-up)  
Status: Under Operation

### Herrentunnel Luebeck, Germany



Project Volume: \$200 million+  
Project Scope: Contract for the design, build, finance, operation and maintenance (including tolling) of a twin tunnel in the city of Luebeck  
Contract Period: 2005 – 2035  
Status: Under Operation

### Maliakos Kleidi Motorway, Greece



Project Volume: \$1.29 billion  
Project Scope: Contract for the design, build/rehabilitation/update, finance, operation and maintenance (including tolling) of more than 140 miles of highway and 20 miles of national road between Thessaloniki and Athens  
Contract Period: 2008 – 2038  
Status: Under Operation

## Extract of Managed Lane Experience Flatiron Constructors

### I-15 Managed Lanes



Construction Volume: \$ 420 million  
Project Scope: DBJV lead on 8 segments for construction of a new 20-mile section of High Occupancy Toll (HOT) lanes stretching from State Route 163 north to State Route 78 along Interstate 15 in San Diego, Calif  
Contract Period: 2004 - 2011

### C470 Express Lanes Segment 1



Construction Volume: \$ 215 million  
Project Scope: DBJV lead for the design-build of several stretches of tolled lanes (one and two-lane eastbound and westbound portions) along a 12-mile segment of the highway 470 around Denver, Colorado. Including installation of tolling equipment and Intelligent Transportation System.  
Contract Period: 2016 - 2019

### I-25 Managed Lanes



Construction Volume: \$ 42 million  
Project Scope: Primary Contractor for adding a managed lane on the inside shoulder in each direction along six miles along an interchange in a high traffic corridor. The new lane connects to the existing Interstate 25 Express Lanes to and from downtown Denver. Flatiron also resurfaced the existing lanes along this six-mile stretch.  
Contract Period: 2013 - 2015

### I-405 Express Lanes



Construction Volume: \$ 160 million  
Project Scope: Primary Contractor for the design-build of major upgrades along a 17-mile section of Interstate 405 in Washington designed to improve traffic flow along the busy corridor. The project includes adding additional lane in each direction along nine miles of I-405, and the conversion of an existing carpool lane into an express toll lane along the entire 17-mile project. The project also comprised the installation of tolling infrastructure including signage, toll cabinets and conduits.  
Contract Period: 2012 - 2015

## Extract of other Project Experience Flatiron Constructors

### Harbour Bridge, Corpus Christi, Texas



Construction Volume: \$983 million  
Project Scope: DBJV Co-Lead for design-build of 6.44 miles of bridge and connecting roadway.  
Contract Period: 2016-2022

### California High Speed Rail Package 2-3



Construction Volume: \$1.23 billion  
Project Scope: DBJV Co-Lead for design-build of 60-plus mile portion of new high speed rail between Los Angeles and San Francisco.  
Contract Period: 2016-2020

### Calgary Ringroad (Northeast Stoney Trail) P3 Project, Canada



Construction Volume: \$424 million  
Project Scope: DBJV Lead for design-build of 13 miles of new four- and six-lane roadway around Calgary, including 23 bridge structures and six interchanges.  
Contract Period: 2007-2009

### North West Edmonton Ringroad P3 Project, Canada (NWAH)



Construction Volume: \$ 1 billion  
Project Scope: DBJV lead for the design-build of 13 miles of the new two- and three-lane roadway around Edmonton, including 29 bridge structures, 9 interchanges, 4 flyovers and 2 crossings over railways  
Contract Period: 2008 - 2011

HOCHTIEF PPP Solutions and Flatiron are highly interested in the development of the Project:

- HOCHTIEF PPP Solutions as developer, equity investor and operator;
- Flatiron as Design-Build Contractor.

The vertical integration of HOCHTIEF PPP Solutions and Flatiron provides MDOT with optimized interface management and a more efficient project delivery, as we can ensure that the components of a P3 project team have aligned interests and goals.

## 2. What would be the benefits and risks to MDOT entering a P3 agreement for congestion relief improvements? What risks do you believe would best be retained by MDOT and what risks would be best transferred to the private sector? Please explain your reasoning.

P3 projects provide from our perspective key benefits, when the risk sharing follows a reasonable and sensible approach. Key benefits we see are:

- **Schedule certainty:** A properly drafted Project Agreement will ensure that the private sector has maximum incentive to deliver the project in a timely manner. This is especially a key benefit for large major civil projects which have high impact on many users.
- **Cost certainty:** The biggest benefit of P3s is the greater reliability on the private partner's price proposal. The risk transfer in a P3 will largely eliminate cost overruns and incentivize the private partner to contain costs in respect to shared risks.
- **Lifecycle optimized design and scope:** The P3 structure (and the proposal evaluation criteria) greatly motivates each proposer to optimize the project holistically, to ensure the overall price is competitive and sound. This leads to better and more reliable design solutions.

To achieve value for money, it is imperative that risks which are not manageable by the private partner remain with the MDOT (as on traditional bid-build or design-build projects):

- **Government and Third Party Approval Delays:** if the private partner prepares the documentation in the proper quality, quantity and on time, but approvals are being delayed or withheld, the private partner should be compensated by either an extension of the concession or reimbursement of lost toll revenue and more time to complete.
- **ROW Acquisition:** In densely populated areas property acquisition a lot of times requires the use of eminent domain. This process should be managed and paid for by MDOT. If a private party would be responsible, it bears the risk of cost overruns, delays and usually also creates negative public perception. The concession can be structured in a way which compensates MDOT for such ROW costs up to a pre-determined amount (to be defined during the RFP).
- **Pre-existing conditions (Ground Risk, Hazardous Materials, Structural Soundness):** While it is possible to limit costly and time intensive issues with detailed due diligence, there may be pre-existing conditions which will not be visible to the private partner during the procurement. To limit unnecessary risk margins (and overpay by the public), the risk for the private partner should be limited to a set amount of money and time. The risk transferred to the private partner needs to be quantifiable.
- **Force Majeure Events:** There will be events which are beyond either party's control; however a private party would not be able to carry these risks (i.e. terrorism, extreme weather catastrophes). While certain risks are insurable, some form of public support (costs/ and or relief) for such risks is usually necessary to make projects financeable.



**3. What, if any, advantages will MDOT potentially gain by entering an agreement in which operations and maintenance and lifecycle responsibility and/or traffic and revenue risk are transferred to the private section? How do you assess the likely magnitude of such advantages? What are the potential offsetting disadvantages?**

The **transfer of operations & maintenance and lifecycle responsibility** for the Project would be a paradigm shift compared to traditional design-build or bid-build Projects. It creates a different, more effective, risk transfer. As a result, the design and scope of the project get optimized during the proposal phase, which in turn reduces overall costs and increases the design quality. While bid-build or design-build procurements focus on short-term delivery costs, P3 procurements are focussed on optimizing the long-term value of a technical solution.

The **transfer of the traffic and revenue risk** provides Maryland with the opportunity to accelerate crucial infrastructure improvements without using internal funds or increasing its debt burden. It is fair to say that the transfer of traffic and revenue risk will however come with a premium, as private developers and lenders take the risk of any potential revenue shortfalls. This may require more equity investment to support more conservative revenue assumptions from lenders and rating agencies stress tests and financing coverage requirements compared to availability based payment models (like Purple Line). If the traffic revenues exceed expectations, a sensible upside cap regime could provide Maryland with additional income in the future, while still incentivizing the private developer to optimize revenues. In addition, MDOT should work with the private developers during the RFP to develop a tolling policy which balances the concessionaires' interest to optimize the toll revenue with the desired public goals and as such ensure a certain level of public control remains in place.

**4. Would it be advantageous for MDOT to transfer the operations and maintenance and lifecycle responsibility for the entire freeway or just the added congestion relief improvements? What would be the advantages and disadvantages of transferring the operations and maintenance and lifecycle responsibility for the entire freeway?**

It is advantageous to transfer the general operations and maintenance for the entire freeway to the private partner. This will eliminate interfaces and create operational scale which ensures efficiency.

The transfer of the rehabilitation and lifecycle responsibility for existing freeway infrastructure will largely depend on the current condition and age of the existing freeway. While due diligence before and during the procurement can be of help to determine future rehabilitation needs, certain risks will likely not be eliminated unless the entire freeway is rehabilitated. As such the transfer of the full freeway lifecycle responsibility can be more costly and should include certain limitations on the risk transferred to the private party.

**5. Would it be feasible to have a single solicitation for both corridors? If not, would you recommend any specific phasing for the solicitations including the corridor(s) and limits and why? What would your recommendation be for staggering multiple solicitations and why?**

We would not recommend having a single solicitation for both corridors. The project volume for each corridor is quite significant. In addition, the solicitations should not be in parallel but sequenced. Would the project be solicited as a whole or both corridors been procured at the same time, it would create multiple constrains:

- Strained construction market capacity,
- Limited number of competitors,
- Potential funding constraints,
- Significant additional workload for MDOT,
- Limitations on public outreach and community involvement,
- Minority Business Enterprise/Disadvantaged Business Enterprise firms and local workforce limitations.

In regards to the sequence of the solicitations, there are certainly arguments for different sequence variations to be made. However we think this should be determined based on MDOT priorities and also based on readiness of each corridor (i.e. Environmental Permit, Due Diligence Information, Community Involvement, Utility Relocations, and Interfaces with other modes of transportation).

## b. Project Development

### **1. Do you believe your firm would be interested in submitting a detailed proposal for the development of any of the congestion relief improvements? Are there any particular concerns that may prevent your firm from getting engaged in the project development? How might these concerns be resolved?**

HOCHTIEF and Flatiron are highly interested in submitting a detailed proposal. However, traffic revenue projects require a great deal of resources and need to be carefully prepared to ensure successful procurement and project execution.

It is critical, that the Project is supported by wide ranging public outreach and executive level backing by the State. Toll projects need communication and explanation, as they potentially impact a wide array of commuters.

In addition, having the necessary legislative and governmental approvals (especially NEPA) in place is critical to ensure project execution certainty.

### **2. At what stage of the NEPA and project development process would it be most beneficial to issue a RFQ: after establishment of the purpose and need, after determination of alternatives retained for detailed study, after selection of an MDOT preferred alternative, or after approval of the environmental document? At what stage would it be most beneficial to issue a RFP? Please discuss your reasoning.**

It is best to start the RFQ process after selection of the preferred MDOT alternative. The RFP could be issued before the final EIS is issued, however, the comment period should be over before commercial close. The final Record of Decision needs to be in place 2 months before technical submissions are due. In any case, MDOT likely will need to hold proposers harmless from NEPA issues to make the project financeable.

### **3. What are the critical path items for the solicitation for these improvements and why?**

We think the following items are critical path items for a potential procurement:

- Start of the NEPA process and selection of the preferred alternative,
- Public Outreach and Engagement,
- Engagement of Technical, Legal, Financial and Traffic Advisors,

- Detailed Technical Due Diligence,
- Detailed T&R Study,
- Preparation of ROW Acquisition,
- Negotiation and execution of intergovernmental agreements,
- Legislative approvals (if necessary),
- TIFIA and PABs Allocation (if TIFIA is part of the financing tools used),
- Preparation of solicitation documents.

All the above mentioned items are critical to define the scope of the project, evaluate its financial viability and prepare the final NEPA approval.

#### **4. What is the minimum amount of time that your firm would require to develop and submit a response after the issuance of a potential RFQ?**

Depending on required RFQ submittals, proposers will likely need 8 weeks to prepare a detailed response.

#### **5. What is the minimum amount of time that your firm would require to develop and submit a detailed proposal after the issuance of a potential RFP?**

Depending on the quality and level of detail of the RFP documentation (including T&R study, technical due diligence and contract documents), proposers will likely need 7-9 months to prepare a detailed proposal for each corridor.

The length of the proposal period will also be impacted by the status of the NEPA process. A well advanced NEPA approval process is necessary to achieve a streamlined procurement process.

#### **6. What information would your firm need in order to prepare a response to a potential RFP? What information should MDOT, the offeror, or others provide?**

Examples of key documentation/information bidders would need are:

- ITP and Project Agreement with sufficient specifications and detail,
- Baseline TIFIA Term Sheet (if TIFIA is to be used)
- Technical Due Diligence Documents (including but not limited to Geotechnical Reports, Utility Reports, Technical Documentation of existing corridor infrastructure)
- Investment Grade Toll and Revenue Study
- Tolling Policy Guidelines
- Technical Specifications (including but not limited to construction specs, O&M specifications)
- Performance and Compliance Specifications (for construction and O&M)
- NEPA documentation
- Limitations on potential road/lane closures
- Relevant Intergovernmental Agreements and Memorandums of Understanding
- SBE/DBE/Workforce Development Goals.

Those are all documents/information which should be provided by MDOT; however some of these documents will need to be provided to MDOT by other parties.

#### **7. What would you consider a reasonable stipend payment for unsuccessful proposers responding to a potential RFP? Please discuss how the stage of project development (purpose and need, alternatives retained for detailed study, preferred alternative, final**

**environmental document, etc.) completed prior to RFP issuance would impact the stipend payment amount.**

The amount of the stipend depends also to a great extent on the length of the procurement and the likelihood of a successful project award. Given the significant amount of work necessary to develop a detailed proposal (especially also considering the size of each corridor), we would think the following stipend amounts are reasonable (depending on the outcome of the procurement) for each of the corridor procurements:

- Stipend for Cancellation of the Procurement between issuance of final RFP and Technical Proposal Submission Deadline - \$1.5 million (each proposer team)
- Stipend for Cancellation of the Procurement after Technical Proposal Submission but before Financial Submission Deadline - \$2 million (for each Proposer Team which has submitted a technical proposal in compliance with the RFP)
- Stipend for Cancellation of the Procurement after Financial Submission Deadline – \$2.5 million (for each Proposer Team which has submitted a financial proposal in compliance with the RFP)
- Stipend for each unsuccessful Proposer who has submitted a compliant technical and financial proposal (if a preferred proposer is selected) – \$2.5 million.

Payment of the stipend after the technical submission would allow MDOT to use the work product of unsuccessful proposers (i.e. technical innovations). Payment of Stipend should not be subject to the project reaching Financial Close.

**8. Would it be more beneficial for right-of-way acquisition activities to be transferred to the developer or should MDOT retain that risk? Please discuss your reasoning.**

In densely populated areas ROW acquisition is likely to require the use of eminent domain. This process should be managed and paid for by MDOT. If a private party would be responsible, it bears the risk of cost overruns, delays and usually also creates negative public perception. In addition MDOT still would need to exercise its legal authority to execute the use of eminent domain. The concession can be structured in way which compensates MDOT for such ROW costs up to a pre-determined amount (to be defined during the RFP).

**c. Technical Challenges**

**1. Based on your experience in the development of similar projects and characteristics of the I-495/I-95 and I-270 corridors, please explain the technical challenges, including minimization of right-of-way impacts, to providing congestion relief improvements. Please provide any recommendations for mitigating or overcoming those challenges that you would be willing to share.**

The key challenge of improving both corridors will be a design, which allows for safe construction sequencing with minimized impacts to the travelling public. This will be crucial for the overall public support for the project. From our past experience, MDOT should provide clear guidance on any lane and road closure limitations which will be communicated by MDOT to the public. Teams should be required to develop innovative ideas during the RFP to best accommodate those goals. Proposers

should be incentivized by MDOT by providing transparent technical scoring advantages for better construction sequencing and traffic flow in the RFP.

**2. Are there recommendations that you may be willing to share concerning the project scope or development strategies to reduce the upfront capital costs and/or the lifecycle costs of potential corridor congestion relief improvements?**

Past projects have shown significant scope optimization when proposers were allowed to innovate during P3 procurements while working in a transparent, fair and especially confidential framework for Alternative Concepts. We would be prepared during the RFP phase to develop and communicate such strategies specifically tailored for each corridor.

**3. Please explain any technical solutions that you may be willing to share that may enhance the development of the potential congestion relief improvements. Identify risks associated with the solutions and, if possible, discuss estimated cost of the solutions.**

Our team has in the past successfully developed solutions to innovatively improve the design of P3 projects. Potential areas of interest are compressed construction sequencing, temporary or permanent re-alignments, innovative use of highway shoulders or temporary structures, or optimized ramp and intersection designs. We would be prepared during the RFP phase to develop and communicate such technical solutions specifically tailored for each corridor.

**d. Contract Structure**

**1. What is your recommended approach for financing the capital cost of potential congestion relief improvements?**

As per the RFI document, MDOT would like to improve both corridors without direct funds from the Maryland Transportation Trust Fund and that the P3 projects would provide a concession payment to MDOT upon financial close. The reasonableness of this objective will have to be determined during the RFP process (based on our analysis of the traffic and revenue forecast, construction and O&M costs, tolling policies of MDOT). The current traffic numbers certainly indicate a significant potential to reach those goals.

The project improvements and a potential concession payment would be initially funded by long- and short-term debt and equity, to be provided by private developers. In exchange the developers receive the concession to receive toll income for the use of the managed lanes portion of the project. In addition, those tolls will also be used to finance the long-term operation and maintenance of the corridor and the lifecycle works of the newly build infrastructure.

The ultimate gearing of equity and debt will largely depend on the financial viability of the final project configuration (i.e. 2 managed lanes or 4 vs. the number of free lanes), the traffic and revenue forecast and the estimated costs to improve and operate & maintain the corridor. Based on past experience the amount of equity necessary can be between 20 and 35%. The use of low-cost financing tools like TIFIA and PABS can greatly enhance the overall financial viability.

In past projects public authorities elected to start tolling already during construction phase to advance project cash flows. While this certainly can lower the overall project costs, it also contains

significant public perceptions risks. It is often not well-received by the public to pay for infrastructure which was free before the P3 project started, while not receiving a benefit from the new capital improvements

**2. Should MDOT set a concession term or allow proposers to establish a concession term as part of the response to a potential RFP? If MDOT were to set the concession term, what is a reasonable concession term and why?**

We think MDOT should set a concession term as a key commercial parameter of the project. Based on our experience, we think 50 years is a reasonable term, which allows for repayment of the investments and protection against economic cycles.

**3. Are there any contract terms you would recommend, such as Alternative Technical Concepts, Alternative Financial Concepts, contract balancing, pre-development agreements or progressive agreements, etc. to minimize risk to proposers, maximize opportunities for innovation, maximize a concession payment to MDOT, or are key to obtaining competition? Please discuss the benefit and risks of the recommended contract terms.**

We think the use of Alternative Technical Concepts (ATCs) should be an important part of any upcoming procurement. Past projects have shown significant technical and commercial improvements for public clients. To receive the full benefits of ATCs it is critical to guarantee confidentiality during the procurement.

We do not think the use of pre-development agreements is justifiable for a project of the magnitude as each of the corridors. Pre-development agreements do not provide the level of commitment for MDOT which we believe would be available for these projects, to select the ultimate developer. We would recommend the use of a detailed Project Agreement or Comprehensive Development Agreement type procurement.

Besides reasonable financial objectives, we think MDOT should place significant emphasis on Technical Scoring criteria for the competition, as the quality of the design and best possible sequencing of construction will be important to achieve optimal public support.

**e. Miscellaneous**

**1. Are there any particular concerns with the information provided in this RFI? Please explain any concerns and provide any proposed solutions or mitigation to address those concerns.**

We do not have particular concerns other than described before.

**2. Please provide any suggestion or comments on how MDOT can encourage participation by Minority Business Enterprise/Disadvantaged Business Enterprise firms and local workforce in the development of the congestion relief improvements.**

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HOCHTIEF and Flatiron are very experienced in delivering projects with MBE and DBE participation. It is our belief that success in achieving MBE/DBE goals is dependent on the development and implementation of a comprehensive and well-managed program. From our perspective these efforts should focus on the design and construction elements of the project. We foresee MBE and DBE participation opportunities ranging from professional and technical services to manufacturing and supply, trucking and transport, and specialty contracting (traffic control, surveying, grading, earthwork, electrical, utilities, landscaping).

MDOT should articulate clear MBE/DBE/Workforce development goals (including the requirements in respect to union labor) in its RFP and be also open to receiving constructive industry feedback. In addition, MDOT could use objective MBE/DBE/ Workforce Development criteria for the scoring of the Technical Proposals. This will incentivize proposers to be proactive and focussed on achieving MDOT's overarching project goals.

### **3. What opportunities would you like to see for industry outreach related to these potential P3 opportunities?**

We commend MDOT for starting the outreach early by organizing the industry day and this Request for Information. Continued communication in the form of one-on-one meetings in the next months and a follow-up industry forum before or shortly after the release of the RFQ would be helpful in the advancement of the project.

### **4. Please provide any additional comments or questions you may have related to the information in this RFI.**

HOCHTIEF and Flatiron would be very interested to share our experience with MDOT during a potential one-on-one meeting. We thank MDOT for the opportunity to provide our response to this RFI.