



Request for Letters of Interest  
for the development of  
The 100 year Life Bridge Rehabilitation and Repair bundling  
project  
under a Public-Private Partnership

Original Issue – July 25, 2013

DUE DATE: August 20, 2013, 10:00 a.m. Eastern Standard Time

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# 1. Introduction

## 1.1 Purpose of this Request for Letters of Interest

The Michigan Department of Transportation (“MDOT” or the “Department”) is pleased to present the Request for Letters of Interest (“RFLOI”) to individual firms or teams with interest and/or experience in the development, maintenance, and financing of a bridge rehabilitation project (the “Project”). To achieve long life bridges MDOT intends to consider incorporation of innovative technologies and materials such as Carbon Fiber Composite Cables (“CFCC”) for post-tensioning ,pre-stressing and reinforcement of concrete bridge elements, and is seeking feedback from individual firms or teams interested in participating in the Project. . MDOT is currently in the process of finalizing the scope and delivery model for the Project.

Individual firms or teams interested in responding to this request (“Respondents”) are invited, on a non-binding basis, to submit responses to this RFLOI. The purpose of this RFLOI is to generate responsive information that may help the Department understand the perspective of the industry and to confirm and/or refine the scope, packaging approach, contract delivery model, financing approach, and procurement approach for the Project.

This RFLOI does not constitute a Request for Qualifications (“RFQ”), a Request for Proposals (“RFP”), or other solicitation, nor does it constitute the commencement of any other type of procurement process for the Project. Moreover, it does not represent a commitment to issue an RFQ or an RFP in the future. Therefore, respondents choosing to respond to this RFLOI will not, merely by virtue of submitting such a response, be deemed to be “bidders” on the Project in any sense, and no such respondent will have any preference, special designation, advantage or disadvantage whatsoever in any subsequent procurement process related to the Project. Furthermore, respondents are informed that their submittals at this stage of the process will not lead to a short-list and other interested parties will not be precluded from participation in the future qualification process.

The primary goal of the MDOT is to act in the interest of the public. The public’s interest will be protected through the terms and conditions defined in the Contract with the Developer.

## 1.2 Bridge Corridor Project Alternatives

The Project addresses rehabilitation, and maintenance needs for the Department’s comprehensive bridge network specifically related to poor bridges with replacement needs. The scope of work is currently being refined by the Department and feedback received in response to this RFLOI will assist the Department in finalizing the ultimate scope of work for the Project. At this time two different approaches are under consideration:

1. **Large Bridge Deck Replacement Project:** (\$100 - \$150 million)
  - a. I-75 Bridge over the Rouge River Deck replacement (approx. 1,160,000 ft<sup>2</sup> deck area), steel superstructure repairs, substructure repairs, approach reconstruction. Located in the City of Detroit.
  - b. I-75 Bridge over Fort Street Deck replacement (approx. 110,000 ft<sup>2</sup> deck area), steel superstructure repairs, substructure repairs, approach reconstruction. Located in the city of Detroit ½ mile south of I-75 over Rouge River.
2. **Bridge Corridor Projects:** (bridges within these corridors may require reconstruction work on local roadways, service drives, and interchange ramps).
  - 1 I-94 from I-96 to Connor in the City of Detroit (several bridges up to \$600 million)
  - 2 I-75 from M-102 to M-59 in Oakland County (several bridges up to \$160 million)
  - 3 I-94 from Elm Road US-127 in Jackson County (several bridges up to \$100 million)

#### 4 I-94 from Euclid to US-31REL in Berrien County (several bridges up to \$90 million)

For each project scope under consideration, the Department will require the developer to replace and/or fully reconstruct certain elements of each bridge in order to bring it up to a state of good repair and current standards. This state of good repair anticipates achieving 100 year bridge lives by means of incorporating a number of innovative technologies such as CFCC.

The scope of work is anticipated to include deck and superstructure replacement as well as full bridge replacement and cross section widening (MDOT to provide final bridge geometry details). In addition, the Department seeks to use CFCC technology in the post-tensioning, pres-stressing, and reinforcement of concrete bridge elements. The Department may consult with Developer to provide feedback on which bridges/spans are most suitable for the use of CFCC to reduce whole lifecycle costs during the duration of the contract.

The Department is currently considering procuring the Project under a public-private partnership delivery model whereby a private sector developer is responsible for designing, constructing, financing, and maintaining the bridge rehabilitation and replacement works over a long-term contract. The developer would be responsible for performing the complete design and constructing the up-front rehabilitation and replacement works as well as funding those works. The developer would also be responsible for performing maintenance over a long-term period (35 to 50 years). The longer maintenance term is due to the expected excellent performance of the CFCC elements. The contract for both the up-front rehabilitation and replacement works and the long-term maintenance work would be performance-based with payments being made by the Department over the duration of the contract.

This design-build-finance-maintain ("DBFM") delivery model allows the Department to accelerate rehabilitation and replacement works for the Project, while incorporating a long-term maintenance element to help reduce the whole lifecycle cost of the Project to the Department. The Department would make periodic performance based payments to the developer after the works have been completed according to a schedule of milestones. The payments would be tied to performance and availability standards such that the developer receives payment as long as the bridges are performing to standards and available to users. By considering incorporation of a long-term maintenance (emergency, routine, preventive, and scheduled) and repayment period, the Department is seeking to address critical repair needs in an accelerated manner, avoid unnecessary costs as a result of deferring repair works, and bring bridges up to a state of good repair in accordance with the Department's comprehensive bridge program strategy.

### **1.3 Project Purpose**

The purpose of the Project is advance the reconstruction or rehabilitation of MDOT bridges in poor condition, or bridges within major project corridors, whose reconstruction may be years in the future under the current MDOT Bridge Program. MDOT also intends to further the deployment of innovative materials, such as CFCC, and implementation of accelerated bridge construction techniques in an effort build bridges with a 100 year service life, with very little construction delays to our customers and stakeholders.

### **1.4 Ownership**

MDOT will retain ownership of the bridge facilities and has no intention to relinquish ownership during or at the end of the contract term.

### **1.5 Protecting the Public's Interest**

The primary goal of the MDOT is to act in the interest of the public. The public's interest will be protected through the terms and conditions defined in the Contract with the Concessionaire. Items such as safety, security, length of the contract, operations and maintenance responsibilities, motorist mobility, public outreach and environmental compliance of project components will be outlined in the Concession Contract.

## 1.6 Anticipated Schedule

The following schedule shows the projects key milestones and their anticipated timeframes:

Milestone	Date
Publish RFLOI	[July 25, 2013]
Receive RFLOI Responses	[August 20 2013]
Evaluate RFLOI Responses	[September 2,2013]
Publish RFQ	[October 1,2013]
Publish RFP	[December 3, 2013]
Proposal Submittal	February 5, 2014
Preferred bidder award	February 20, 2014

## 2. Submittal Instructions

### 2.1 Content

Respondents to this RFLOI are encouraged to provide the following information (to the extent relevant, based on the parts of this document the Respondent wishes to submit a response):

- a. *Contact Information* – Name and contact information (address, phone, fax, and e-mail) for the individual who will act as the Respondent's principal contact throughout the process for this particular RFLOI and description of the individual member of the Respondent's team with experience related to the objectives of the public private partnership as described in this RFLOI.
- b. *Company Information* – Brief description of the firm's or team member's lines of business and experience in the delivery of transportation infrastructure projects under a public-private partnership model (i.e. design, build, finance, operate and maintain). Please also provide a description of the location of firm and whether the firm is located in Michigan.
- c. *Responses to Questions* – Please provide responses to the questions asked in Section 2.2.

### 2.2 Questions Presented

#### *Project Scope and Delivery Model*

1. Do you have any experience with a design-build-finance-maintain delivery model and, if so, what do you see as the advantages and disadvantages of this model?
2. The Department is considering two different project approaches (i.e., large bridge deck replacement projects and bridge corridor projects). Which project approach is preferable to your firm and why? Would combinations of these two different project approaches make for a more viable large project?
3. The two different project approaches under consideration could include up to \$90-600M in upfront rehabilitation and replacement works. Please comment on this size of contract, and whether your firm would prefer a larger (i.e., \$600M) or smaller (i.e., \$90M) contract, and the reasons behind your preference.
4. For bridge corridor projects approach, please comment on the preferred number of structures and the impact of rehabilitating bridges across an entire corridor versus one large bridge project in a single location.

5. The Department is considering contract durations of between 35 and 50 years. Please comment on your firm's preferred contract duration.

#### *Technical*

1. The Department is considering the use of CFCC in the transverse post-tensioning, longitudinal pre-stressing and as reinforcement of concrete bridge elements. Does your firm have experience with innovative materials and construction techniques relative to bridges? If so please provide comments and examples.
2. Do you anticipate that the use of innovative materials will reduce the whole lifecycle cost of the Project?
3. Given the project descriptions above, are there any other innovative materials or techniques that you would propose to be considered in the Project that in your firm's opinion would likely result in either (a) a reduction to whole lifecycle cost of the Project, or (b) increase the safety and/or quality of the Project? If so, please explain.

#### *Funding and Financing*

The DBFM delivery mode includes an element of upfront financing provided by the developer which will be repaid by the Department through a series of periodic payments during the contract term. The Department anticipates that the developer may use third-party, project financing to fund the upfront works.

1. Does your firm have experience in raising third-party, project financing for public-private partnership projects? If so, please comment.
2. Please comment on the advantages and disadvantages of using third-party, project financing for the Project.
3. Do you anticipate using any other type of funding or financing (e.g., self-funding or on-balance sheet financing) for the upfront works or will you seek third-party financing? Please explain why.
4. Does your firm's preferred contract duration (see question #4 under Project Scope and Delivery Model) vary based on whether you propose a different type of financing (e.g., self-funding or on-balance sheet financing)?
5. Do you anticipate a threshold limit minimum and maximum with respect to the size of the contract for assuming third-party, project financing? If so, please comment on the limits.
6. Please provide an indicative list of financiers (e.g., banks, equity funds, etc.) that you would partner with if you were to seek third-party financing.
7. Please provide an indicative, high-level, structure of private financing for the solution(s), including (i) funding split (debt/equity); (ii) types of debt facilities and main assumption; (iii) any innovative financing tools you anticipate using; (iv) payment and performance bonds requirements vs. other forms of completion assurances in order to secure attractive third-party financing (v) the types of guarantees and assurances will third-party financiers expect from contractors.

## *Procurement and Commercial*

1. If the Project were to be delivered under a DBFM model, please respond to each of the following questions related to project risks:
  - a. What do you anticipate to be the largest risks associated with the Project?
  - b. What types of guarantees and assurances will third-party financiers expect from developers?
2. If the Project were to be delivered under a DBM model (excluding financing), please respond to each of the following questions related to project risks:
  - a. What do you anticipate to be the largest risks associated with the Project?
  - b. Do you see any advantages or disadvantages of excluding project finance as part of the Project?
  - c. Do you see any advantages or disadvantages of including maintenance as part of the Project? If project finance was excluded what in your view is the optimal length of a DBM contract?
3. The Department anticipates using a two-step procurement for the Project. Under a two-step procurement model, the Department would issue a Request for Qualifications requesting Statements of Qualifications in order to shortlist a select number of bidders for the Request for Proposals phase of the procurement. Please indicate the appropriate number of shortlisted qualified bid teams in order for your firm to maintain competitive interest in the Project.
4. Do you believe the currently proposed project schedule is achievable? Does your answer differ between the two alternatives under consideration. Please take note that the Department is seeking an accelerated delivery schedule and anticipates evaluating the proposed project schedule in Respondent's proposal submission.
5. Please comment on any conditions precedent to initiation of the procurement that need to be addressed prior to your firm's engagement in the procurement process.
6. Does your firm anticipate partnering with other firms, particularly local firms, to pursue the procurement of this Project? If so, please comment on the proposed teaming structure and your firm's role on the team. Names of each firm that you anticipate partnering with are not required to be disclosed.

## *Additional Comments*

1. Please provide any other comments regarding the Project information contained in this RFLOI.

### **2.3 Schedule and Interaction with Respondents**

Any questions regarding this RFLOI must be submitted in writing to:

Matthew J. Chynoweth, Bridge Field Services Engineer  
517-332-3322  
[chynowethm@michigan.gov](mailto:chynowethm@michigan.gov)

The deadline for questions is August 16, 2013 by 10:00 a.m. Responses to any inquiries/questions will be delivered via e-mail. It is the intent of the Department for all responses to Respondent's questions to be posted on MDOT's procurement website (see below), and emailed to all Respondents. Upon Respondent's request, and at the sole discretion of the Department, responses may be provided to a Respondent confidentially. <http://www.michigan.gov/ic>

MDOT reserves the right to continue interaction with Respondents as they deem appropriate, which may include conducting one-on-one meetings with Respondents after the receipt of the RFLOI responses. All or certain parts of the information conveyed at the meeting can be classified as confidential at the sole discretion of the Department; and upon request by the Respondent.

## **2.4 Format**

MDOT requests that responses do not exceed 20 pages (8 ½" x 11"). Font should be a minimum of 12 point with pages numbered continuously.

## **2.5 Delivery**

Responses are due on August 20, 2013 by 10:00 a.m. Eastern Standard Time. Respondents must provide their responses via email to the following person:

Matthew J. Chynoweth  
Bridge Field Services Engineer  
517-332-3322  
[chynowethm@michigan.gov](mailto:chynowethm@michigan.gov)

Respondents are solely responsible for assuring that the MDOT receives responses by the specified delivery date and time at the address listed above.

## **3. Limitations**

### **3.1 Inquiry Only – No Contract**

This RFLOI is an inquiry only and no contract or agreement will be entered into as a result of this process. By responding to this document or otherwise participating in this process, no contract or agreement will be formed and no legal obligation between MDOT and Respondent will arise. Individual firms or teams that have not responded to this RFLOI shall not be precluded from participating in any future qualification processes in relation to the project.

MDOT is under no obligation as a result of this process and may decide to proceed or not to proceed with the public private partnership based on responses to this RFLOI. MDOT reserves the right to proceed with other contract procurement means.

The Department is not requesting nor will we evaluate proposals, detailed plans, marketing materials, budgetary information or proprietary information in response to this RFLOI. Respondents should refrain from submitting any copyrighted material or any information that the respondent may consider to be proprietary or confidential.

### **3.2 Right to Alter**

MDOT reserves the right to alter this document, including any conditions and criteria outlined herein which may include, but is not limited to, deadlines for submissions. The MDOT reserves the right to cancel this RFLOI process at any time. Any notifications regarding alterations or cancellations of this document will be posted on the following website: <http://www.michigan.gov/ic>

### **3.3 Cost and Expenses – No Reimbursement**

Each Respondent is responsible for its own costs and expenses related to this process, including cost and expenses associated with preparing and submitting a response to this RFLOI, participating in the process, the provision of any additional information, or attendance at meetings/interviews. No costs related to this RFLOI will be reimbursable from MDOT.

### **3.4 Ownership of Submissions**

MDOT will be entitled to retain all submissions and any other documentation received or related in response to this RFLOI. MDOT will not offer any pay or other compensation for submissions or documents received in response to this document.

### **3.3 Non-confidentiality of Information**

Respondents are advised that parts of the information included in the response documents may be presented to other branches of State Government. Also, it is brought to the Respondents attention that MDOT is subject to the Freedom of Information Act with respect to any documents or other records provided to MDOT and, by law, are subject to disclosure to the public upon request. Therefore, Respondents should consider responses to this RFLOI to be public documents.

### **3.4 Conflicts**

Respondents should advise MDOT of any potential conflict of interests they may have.