



Request for Letters of Interest
for freeway street lighting in the State of Michigan
under a Public-Private Partnership

Original Issue – July 25, 2013

DUE DATE: August 12, 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) is pleased to present this Request for Letters of Interest (RFLOI) to individual firms or teams with experience in developing, supplying and/or financing infrastructure and energy efficiency projects for freeway lighting under a public-private partnership.

Individual firms or teams interested in responding to this request (“Respondents”) are invited, on a non-binding basis to express their interest in the project; and provide feedback on its features. 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 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.

1.2. Freeway Street Lighting Project Alternatives

MDOT is currently considering three alternative scope options for the implementation of the street lighting improvements, which includes upgrades to the existing lighting infrastructure. For the purpose of this RFLOI, infrastructure may include, but not be limited to, lighting pole/tower foundations, light poles/towers/arms, wiring, handholes, meters, circuits, bulbs/luminaries, among others. The proposed project will also include long term maintenance and operation of the associated infrastructure.

The alternatives, based on geographical locations, for this street lighting project are as follows

Alternative 1 includes the whole state’s freeway street lighting system, which is currently estimated at 18,386 lights. This estimate does not include rest areas or other facility type lighting (e.g. parking). It should be noted that MDOT’s database information is constantly being updated and the number provided should be considered approximate. Below is a further breakdown of the lights by MDOT Region:

| Region | Number of lights | Type of lights |
|-------------------|------------------|----------------|
| Bay Region | 1,485 | Various |
| Grand Region | 1,386 | Various |
| Metro Region | 14,715 | Various |
| North Region | 0 | Various |
| Southwest Region | 44 | Various |
| Superior Region | 127 | Various |
| University Region | 629 | Various |

This is the link for a map that shows each of the MDOT Region's and their respective offices:

http://www.michigan.gov/mdot/0,4616,7-151-9622_11033-36042--00.html

Alternative 2 is focused on freeway street lighting in the Metro Region, which includes the counties of Wayne, Oakland, Macomb and St Clair and the City of Detroit. This area represents 80% the system.

Alternative 3 consists of a total of 4,160 High Pressure Sodium lights within three freeway tunnels on I-696 which include, Z01, Z02 and Z03 and one tunnel on M-10 under the Cobo Center. Additional information on these locations is as follows:

- Z01 is southeast of Lincoln Drive and consists of a variable width structure (176'-0 3/8" to 214'-5 5/8") by 501'-1 5/8" long. There are approximately 946, 400 watt High Pressure Sodium lights currently on the structure within these limits.
- Z02, is just east of Greenfield Road and consists of a variable width structure (221'-9" to 180'-6 1/4") by 644'-6 1/2" long. There are approximately 1,194, 400 watt High Pressure Sodium lights currently on the structure within these limits.
- Z03, is near Church Street and consists of a variable width structure (178'-1 5/8" to 178') by 699'-7 1/2" long. There are approximately 1,008, 400 watt High Pressure Sodium lights currently on the structure within these limits.
- The tunnel under the Cobo Center (Z01) includes Larned Avenue, Fort Street and northbound and southbound M-10. There are approximately 1,689, 400 watt and 150, 250 watt High Pressure Sodium lights within these limits.

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 project over a long-term contract. MDOT is in the initial stage of preparing the procurement documents and performing preliminary engineering work for Alternative 3. It is expected that any capital improvements for the tunnel lighting would commence in 2014.

1.3. Project Purpose

The purpose of the project is to provide freeway illumination to the traveling public for motorist visibility, traffic safety and personal security, and operate and maintain the illumination for an extended period of time. MDOT expects the project will improve the current lighting infrastructure, enhance safety, achieve energy savings through the use of new technologies and create efficiencies by transferring maintenance risk and responsibility to a private partner.

1.4. Ownership

The MDOT will retain ownership of the lighting 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. Other Stakeholders

It should be noted that other stakeholders will be engaged during the contract term. An example of the other stakeholders would include Counties and Cities and the power supply companies, like Detroit Edison Company, Consumers Energy Company, among others.

1.7. Anticipated Schedule

The following schedule shows the Project's key milestones and their anticipated timeframes:

| Milestone | Date |
|-------------------------------------|-----------------------------------|
| Release Request For Qualifications | Mid-August, 2013 (4 week posting) |
| Shortlisting Submitters: | Early-October, 2013 |
| Release Draft Request for Proposals | Late-September, 2013 |
| Release Final Request for Proposals | Late-October, 2013 |
| Receive Bids | Early-December, 2013 |
| Infrastructure Upgrades | 2014 |
| Operations and Maintenance Period | To Be Determined |

2. Submittal Instructions

2.1. Content

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

- 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.
- Company Information – Brief description of the firm's or team member's lines of business and experience in the delivery of similar projects under a public-private partnership model.

- Letter of Interest – A letter indicating, if applicable, the firm’s or team’s interest in developing one or more of the three alternatives on a non-binding basis and identifying the type of interest (e.g., developer, manufacturer, financial investor, design engineer, contractor, lender, operator, vendor). The Respondent is also encouraged to indicate the minimum size project to continue their interest in this partnership.
- Scope – A brief description of the elements of the Project the Respondent believes should be delivered by a single private entity. Respondents may provide one or more solutions in their submission. Indicate any technological innovations that would be considered viable, including, but not limited to, energy saving bulbs, on-line monitoring for maintenance purposes, on-line control of power usage.
- Business Model – A brief description of the public-private partnership business model(s) that would be considered appropriate for the project (long term lease/concession agreement, availability and/or milestone payment schedules for delivery, operation and maintenance, indexing energy, labor and material costs and how that index is calculated, energy savings performance contracts, etc) and what would be the benefits for the project and the public impact from each option. Also, examples of projects where such a business model(s) has been successfully used.
- Audit and Turn-key Criteria – A brief description of the auditing methods (working lights, illumination thresholds, cleanliness, frequency of audits, etc) and turn-key criteria that would be considered appropriate for the project.
- Risk Assessment -- An indication of whether you would be willing to retain energy saving, operation and maintenance risks under a long-term contract (e.g. 10 - 25 years).
- Term of Agreement – The preferred length (years) of the public private partnership agreement under such a business model(s).
- Other Opportunities – Identification of other business opportunities that could be added to the scope (e.g. broadband, parking lighting).
- Financing -- Provide information on financing options available for the business model(s) identified, including, but not limited to, bank debt, leasing and vendor financing.
- What type of inventory information would you need before submitting a proposal, if you are interested in alternatives 1 or 2 (e.g., number of freeway lights, types of lights, number of circuits, how many meters, etc)?
- What would be the expected length of a procurement based on the preferred alternative?
- Respondents Experience – A brief description of the Respondent’s experience in:
 - Public-private partnerships – provide brief examples to demonstrate the Respondent’s experience and successful participation in the design, construction, financing, operation and maintenance of transportation infrastructure projects.
 - Local Contracting Partners – Provide brief examples of past practice of partnering with Small Business Enterprises, Disadvantaged Business Enterprises and/or Minority Business Enterprises.
 - Lighting Systems – Provide brief examples of experience with installation, operations, and maintenance of lighting systems for streets, highways and bridges. Please comment on any specific experience with LED technology.
 - Energy Saving Technologies – Provide brief examples of experience related to energy saving performance contracts and installation of energy saving equipment.
- Conditions Precedent – A brief description of those items or impediments to the project’s successful implementation that should be removed or dealt with prior to the initiation of the procurement process.

2.2. Schedule and Interaction with Respondents

Responses are due on August 12, 2013 by 10 a.m. Eastern Standard Time. Any questions regarding this RFLOI must be submitted in writing, via e-mail to Charlie Stein, Michigan Department of Transportation at steinc@michigan.gov. Responses to any inquiries/questions will be delivered via e-mail and may also be posted to the website.

MDOT reserves the right to continue interaction with Respondents as they deem appropriate, which may include conducting one-on-one meetings with participants, if such requests are received from the Respondents.

2.3. Format

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

2.4. Delivery

Respondents must provide their Letters of Interest via email to the following person by the previously stated deadline:

Name: Charlie Stein, PE

Title: Project Manager

Email: steinc@michigan.gov

Phone Number: 517-373-7339

Respondents are solely responsible for assuring that the MDOT receives responses by the specified delivery date and time at the address listed above. Respondents will receive an e-mail noting receipt of the RFLOI.

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 the 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. The 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. The MDOT reserves the right to proceed with other contract procurement means.

3.2. Right to Alter

The 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 or interviews. No costs related to this RFLOI will be reimbursable from the MDOT.

3.4. Ownership of Submissions

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

3.5. 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.

3.6. Conflicts

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