

**RFQ for Delivery of Freeway Lighting as a Public-Private Partnership Project
Metro Region
(Wayne, Oakland, Macomb and St. Clair Counties, and the City of Detroit)**

**Q&A #2
03/27/2014**

Questions 1-5 were previously answered on 3/18/2014.

Question 6: We understand that energy savings will be part of the available sources of repayment over 15 years. Could you please provide detail on other potential sources of repayment and the envisioned structure/payment mechanism?

Answer 6: MDOT anticipates that repayments will be funded from multiple sources. Additional information will be provided during the RFP phase.

Question 7: Would payments to the Project Company be structured as “availability payments” and if so what type of performance/availability deductions do you contemplate?

Answer 7: MDOT does anticipate using some type of availability payment structure. Performance requirements will be provided during the RFP phase.

Question 8: Please comment on how energy consumption and electricity pricing would be dealt with in the repayment structure.

Answer 8: MDOT is willing to consider a variety of options to manage risk equitably for all parties. Proposing Teams are encouraged to provide ideas, concerns and opinions on issues like this when responding to Section 3.2.c of the RFQ. Electricity price indexing will be addressed in the RFP.

Question 9: Did the latest inventory include foundations, wiring, meters, or circuits? If not, when was the last inventory performed for these items? What portion of these assets would need to be replaced/rebuilt?

Answer 9: The RFP-phase inventory will address these items. For purposes of the RFQ, Proposing Team qualifications should be based on the nonfunctioning system components listed in the RFQ. Nonfunctioning infrastructure may be addressed in any manner desired by Proposing Teams, provided the resulting illumination meets the project criteria in the RFP.

Question 10: In what years were the various sections of the freeway lighting built and when was the most recent capital replacement (poles, towers, wiring etc.)?

Answer 10: A second map has been added to Attachment A to show the approximate ages of the various lighting sections.

Question 11: Under 3.5.1.iv) please consider amending language to read (proposed addition in bold and underlined):

Descriptions of at least two, but no more than four, recent financing structures that were utilized by Members **or individual(s) proposed to lead financing (as identified under 3.5.1 ii)** to deliver lighting conversion projects **or other DBFOM public-private partnership projects**, including the type of funding sources used, amounts raised and rationale for using the funding sources compared to other potential sources.

Answer 11: All of the described arrangements and project descriptions are acceptable and additional latitude is needed for responses, although the wording proposed by the question still limits the responses more than MDOT prefers. In Amendment #2, MDOT amended the language of Section 3.5.1.iv as follows:

Descriptions of at least two, but no more than four, recent financial structures that were utilized by the Members or individual(s) proposed to lead financing to deliver projects relating to lighting conversion or other infrastructure improvements. For each project, describe the type of funding sources used, amounts raised and rationale for using the funding sources compared to other potential sources.

Question 12: Under section 3.4, please consider adding the language below:

In this section, the Proposing Team will provide project descriptions of past infrastructure projects demonstrating relevant experiences. Project descriptions should include projects relating to one or more aspects of freeway/roadway lighting **or DBFOM public-private partnership projects**.

Answer 12: All of the described arrangements and project descriptions are acceptable and additional latitude is needed for responses, although the wording proposed by the question still limits the responses more than MDOT prefers. In Amendment #2, MDOT amended the language of Section 3.4 as follows:

In this section, the Proposing Team will provide descriptions of past infrastructure projects demonstrating relevant experiences. Projects should relate to one or more aspects of freeway/roadway lighting or similar infrastructure. Proposing Teams will provide two groups of example projects, each addressing the experiences described below.

Question 13: The section 2.3 of the RFQ states "Except as otherwise stated, all information in a Proposing Team's SOQ and any contract resulting from this RFQ are subject to disclosure under the provisions of the "Freedom of Information Act," 1976 Public Act No. 442, as amended, MCL 15.231, et seq."

The paragraph 15.243 Sec. 13 of the Act reads:

"(1) A public body may exempt from disclosure as a public record under this act any of the following:

(f) Trade secrets or commercial or financial information voluntarily provided to an agency for use in developing governmental policy if:

(i) The information is submitted upon a promise of confidentiality by the public body."

Please advise whether certain information provided by the Proposer Teams and its Members will be treated on a confidential basis. Specifically, we would like to request

trade secrets and financial information to be confidential if marked as confidential by the Proposer Teams and its Members.

Answer 13: MDOT considers trade secrets and financial information submitted in the SOQ to be confidential, and intends to keep it confidential in accordance with MCL 15.

Question 14: Is the operation of the lighting controllers accomplished from a central location or is it individual to each lighting cabinet?

Answer 14: Lighting operations are not currently centralized. Proposing Teams are encouraged to discuss suggestions for improvement and related issues when responding to Sections 3.2.e/f of the RFQ.

Question 15: During the maintenance portion of the contract, how will the following situations be handled? In each case, will the Project Company be authorized and responsible to pursue reimbursement or will MDOT take responsibility to pursue reimbursement? If the latter, will these funds be available to the Project Company to recover their costs of repairs?

- a. Light Pole knocked over by a 3rd party
- b. Damage by vehicular traffic
- c. Damage by other contractors working for MDOT
- d. Damage by other contractors working for a 3rd party
- e. In general, any 3rd party damages

Answer 15: MDOT is willing to consider a variety of options to manage risk equitably for all parties. Proposing Teams are encouraged to provide ideas, concerns and opinions on issues like this when responding to Section 3.2.c of the RFQ.

Question 16: When a construction project is executed within the footprint of our maintenance contract and the contractor has control of that section of highway, who is then responsible for the maintenance and/or potential damages?

Answer 16: MDOT is willing to consider a variety of options to manage risk equitably for all parties. Proposing Teams are encouraged to provide ideas, concerns and opinions on issues like this when responding to Section 3.2.c of the RFQ.

Question 17: Does MDOT have an overview of potential performance metrics available for our review? Examples of these would be: response times to an incident, temporary repair and permanent repair time frames.

Answer 17: Performance metrics will be provided during the RFP phase.

Question 18: If potential performance metrics are not available, is it the intent of MDOT that this information be provided in this prequalification submittal?

Answer 18: Proposing Teams are not required to address performance metrics in the SOQ. However, they may voluntarily use performance metrics as a tool to help establish Team qualifications.

Question 19: It is our understanding that all capital improvements must be completed within 2 years of financial close. Therefore items shown missing or deficient in tables A-4 and A-5 are allowed to continue to be non-functioning within that 2 year timeframe. Please confirm.

Answer 19: Although the Project Company will have general latitude to schedule its work, MDOT will address priority activities within the RFP. Proposing Teams are encouraged to provide ideas, concerns and opinions on issues like this when responding to Section 3.2.c of the RFQ.

Question 20: Are there any time restrictions for when a lane closure can be in place?

Answer 20: MDOT will define lane closure restrictions during the RFP phase.

Question 21: Will there be additional charges from MDOT for lane closures?

Answer 21: MDOT may include lane rentals or lane closure penalties during the RFP phase.

Question 22: What is the expectation of the condition of the system after the 15-year maintenance period when the system is turned back over to MDOT?

Answer 22: Minimum hand-back requirements will be provided during the RFP phase, and MDOT will consider post-contract renewal costs as part of the RFP evaluation process. Proposing Teams are encouraged to provide ideas, concerns and opinions on issues like this when responding to Section 3.2.c of the RFQ.

Question 23: As a means to improve understanding and therefore final proposals, we request an industry review and comments of draft RFP by short listed firms before release of final RFP.

Answer 23: During the first few weeks of the in-market period, MDOT will provide short-listed Teams opportunities to provide input on the draft RFP.

Question 24: Given the effort involved in fully forming a well-rounded team, we would like request a 2 week extension on the prequalification submittal date?

Answer 24: MDOT chooses to maintain the current deadline of April 11.

Question 25: Which contract party will have responsibility for project financing, and does MDOT require or desire any particular type of project financing arrangement?

Answer 25: Project financing will be the responsibility of the Project Company and MDOT has no expectations for any particular type of financing solution. Proposing Teams are encouraged to discuss potential financing solutions as appropriate when describing the preliminary financial plan requested in Section 3.5 of the RFQ.