Request for Information

Regarding Potential Project Delivery and Finance Structure for the Sepulveda Pass Corridor Program

Responses Due
5:00 PM PDT
May 20, 2013
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INTRODUCTION

The Los Angeles County Metropolitan Transportation Authority (Metro), through its Public-Private Partnership (P3) Program, is considering the potential opportunity to provide critically-needed transportation infrastructure improvements through the Sepulveda Pass Corridor in Los Angeles County, utilizing Public-Private Partnership (P3) delivery. The P3 delivery method could include design, construction, financing, operations, and maintenance of the improvements on a long term concession basis. The estimated cost of delivering these improvements is in the multiple billions of dollars. The potential components include a high-capacity rail system and a tolled highway within the Sepulveda Pass Corridor in the vicinity of the I-405 Freeway, a transit connection to the Los Angeles International Airport, and a north-south transit opportunity in the east San Fernando Valley that would provide connections to Metro’s County-wide transportation network.

1.1 Project Location

The Sepulveda Pass provides a crucial transportation link across the Santa Monica Mountains between the heavy concentration of households in the San Fernando Valley and major employment and activity centers in Los Angeles County’s Westside sub-region. The 405 Freeway is ranked as one of the most traveled urban highways in the nation by the Federal Highway Administration (FHWA) with an Average Annual Daily Traffic of 374,000 vehicles in 2010. The 13-mile stretch of the freeway, from Getty Center Drive, the core of the Sepulveda Pass, to the I-105 (Century Freeway), was recently ranked as the third most congested freeway segment in the United States. In addition, the US-101 and I-10 interchanges with the I-405 north and south of the Pass consistently rank among the five most congested freeway interchanges in the country.

The Sepulveda Pass Corridor Project area extends for approximately 30 miles from the I-5/I-405 junction in the northern San Fernando Valley to Los Angeles International Airport (LAX), encompassing the following:

- San Fernando Valley - 11 miles
- Sepulveda Pass – 9 miles
- Westside to LAX – 10 miles
The potential highway connections include: SR 118, US 101, I-10, SR 90, and I-105. The corridor is also bisected by 10 major existing and planned transportation lines:

- Metrolink Antelope Valley Line
- Metrolink Ventura Line
- Metro Rapid Line 761
- Metro Orange Line
- Metro Green Line
- East San Fernando Valley Transit Corridor (in environmental phase)
- Metro Westside Subway Extension (soon to start construction)
- Metro Expo Line, Phase 2 (in construction)
- Metro Crenshaw/LAX Line (soon to start construction)
- Airport Metro Connector (in environmental phase)

This is depicted in the corridor map on the following page.

1.2 RFI Overview

Metro is issuing this Request for Information (RFI) to obtain information from the industry that will assist in the refinement of assumptions and support further definition of the project methodology for potential procurement and delivery. This RFI is presented in conjunction with the Industry Forum, to be convened on May 1, 2013, and is offered to industry participants on a voluntary response basis. Attendance at the May 1 forum is not a requirement for responding to this RFI, nor is responding to this RFI a requirement for future participation in the Sepulveda Pass Corridor Program.

1.3 Submission Instructions

Please submit your written responses to any or all of the following questions by 5:00 PM PDT May 20, 2013 via e-mail to Kathleen Sanchez, Public-Private Partnerships Manager at LACMTA, at SanchezK@Metro.net. Your responses are considered confidential and proprietary. Please do not submit marketing or promotional materials with your submittal.
Sepulveda Pass Corridor Project Map
REQUEST FOR INFORMATION QUESTIONS

Project Interest Level

1) Are you potentially interested in participating in the project? If so, in what capacity would you participate?
2) Please list and rank the factors that would most influence your decision on whether to participate in the project.

Procurement

3) We are considering procuring this project under a Project Development Agreement (PDA). If we proceed on this basis, please discuss the level of development and definition you would like to see by Metro prior to the procurement.
4) What is your understanding of a PDA approach? How do you see it working for this project? Do you have experience with this type of procurement and, if so, do you have any general “lessons learned” to share about that experience?
5) A general concept of the project and potential components thereof are being presented at the Industry Forum. Based on your understanding of the project, are there any components or specific elements of the project that might best be procured separately from the remainder of the Project?
6) Would you recommend that Metro consider delivering this project in phases? If so, please describe.
7) Metro's Long Range Transportation Plan currently assumes year-of-expenditure funding from a variety of funding sources amounting to $2.468 billion in Fiscal Years 2031-2039 for the I-405 San Fernando Valley/Westside connector, $170 million in Fiscal Years 2009-2018 for the East San Fernando Valley Transit Connector, and $330 million in Fiscal Years 2024-2028 for the LAX/Airport Connector. In your opinion, how should Metro spend its limited resources to advance the project?
8) There will clearly be many specific technical and financial challenges involved in the project. Please suggest any procurement strategies that may help mitigate those perceived challenges.
9) Other than the answers you’ve already provided, what information would you like to receive that might influence whether you choose to participate in the bidding or how you may bid on the project?
P3 Financing and Deal Structure Options

10) Please discuss the level of revenue risk you may be willing to assume for the project and the primary factors that would influence your decisions in this regard. What procurement strategies and policies and/or actions by Metro would most positively influence your willingness to take revenue risk?

11) Please discuss your views on the issues to be addressed with market based, real-time congestion pricing for both the transit and highway components of the project.

12) Please discuss your views and experience in managing stakeholder expectations with respect to market-based pricing.

13) What is the optimal term of a concession arrangement? What term do you think we should be considering for a project of the scale of the potential Sepulveda Pass Corridor Project?

14) Is a project of this size supportable by the private financial and surety markets? Are there actions and/or policies by Metro that could facilitate such support?

15) What, if any, major risks do you foresee with design and construction of the project? What measures would you suggest to Metro to mitigate these risks?

16) What, if any, major risks do you foresee with the lifecycle costs of the project? What measures would you suggest to Metro to mitigate these risks?

17) Are there any other key risks and potential mitigation strategies you would like to discuss at this stage that Metro should be aware of and take actions to mitigate in the procurement?

18) What, if any, concerns do you have with project governance? What measures would suggest to mitigate these concerns?

Process

19) What basic proposal submittal requirements, evaluation criteria, and key contract terms should define the PDA procurement?

20) What are the most important qualifications Metro should look for in identifying the optimal PDA contractor?

Closing

21) What advice do you have for Metro in its pursuit of a feasible project?

22) Do you have any other comments you would like to offer at this time?