

PennDOT Public-Private Transportation Partnerships Office  
**A REPORT TO PENNSYLVANIA**

January 2015



**P3 Board**

Barry J. Schoch, P.E., Secretary of Transportation, Chairman  
Charles Zogby, Secretary of the Budget  
Nicholas DeBenedictis, President and CEO AquaAmerica  
Ronald J. Drnevich, former Chairman/CEO Gannett Fleming  
Michael S. Murchie, President, Commercial Specialty Business, M&T Bank  
Ryan N. Boyer, Business Manager, Laborers' District Council of Philadelphia & Vicinity  
Hon. Steve Santarsiero, PA House of Representatives

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# P3 UPDATE

On behalf of the Public-Private Transportation Partnership Board (P3 Board), Governor Tom Corbett and the PennDOT Public-Private Transportation Partnerships Office (P3 Office), I am pleased to report that the commonwealth made significant strides in 2014 to implement the commonwealth's P3 statute, advancing one of the most aggressive and comprehensive P3 programs in the nation. The office earned international recognition for developing innovative delivery and financing models for a wide array of initiatives designed to strengthen our ground transportation network; improve motorist safety; leverage our Commonwealth's vast natural gas resources; and generate revenue for the commonwealth.

The Public and Private Partnerships for Transportation Act, signed into law by Governor Tom Corbett in 2012, allows PennDOT and other transportation authorities and commissions to partner with private companies to deliver, maintain and finance transportation-related projects. The statute authorizes the P3 Office to invite the private sector to participate in potential partnerships and to allow private entities to submit Unsolicited Proposals for all transportation modes twice per year.

In August, our office was honored to be named a finalist for the Partnership Awards Best Government Agency award, hosted by Partnerships Bulletin and PPP Bulletin International, joining a select group of agencies from around the world. In October, Pennsylvania's Rapid Bridge Replacement

Project was one of two projects in the nation to be awarded with the CG/LA Infrastructure Inc. Finance Project of the Year. This mega-project, which was one of the largest P3 projects to close in the nation in 2014, will allow the commonwealth to replace 558 Structurally Deficient Bridges. These accomplishments are a direct result of our ongoing commitment to explore a wide array of transportation infrastructure opportunities.

These opportunities include an initiative to develop clean-burning compressed natural gas (CNG) fueling stations around the state for use by public transit agencies and the public. The commonwealth will receive a portion of the fuel sales revenue from these CNG fueling facilities, with the money being returned to transit agencies to assist with future capital projects.

The office has also advanced delivery models for train stations, vehicle maintenance facilities, information systems, rest areas and a Truck Permit and Routing System, among other initiatives.

The P3 Board and our office will continue working with the private sector, transportation entities across Pennsylvania, members of the General Assembly and all stakeholders to pursue opportunities that will deliver value to our commonwealth and our citizens. Additional information on our ongoing P3 projects, board meetings and our review process is readily available on our website at [www.P3forPA.pa.gov](http://www.P3forPA.pa.gov). Please do not hesitate to contact our office directly with any questions.

Bryan Kendro  
Director  
PennDOT Public-Private  
Transportation Partnerships Office

# P3 BACKGROUND

## A P3 Project:

- Transfers the responsibility of a facility's engineering, construction, operation and/or maintenance to the private sector for a defined period of time;
- Allows the private sector to perform by contract a service previously provided by the public sector; and
- Ensures the private firm receives payments either from existing revenue sources or through the collection of new tolls or user fees.

Pennsylvania's P3 Office pursues two broad categories of projects – those that add capacity to our transportation system or projects that improve capacity or performance of our current system. If the board determines a state operation or project would be more cost-effectively administered or delivered by a private company, the department or appropriate transportation agency can advertise a competitive RFP and enter into a contract with a company to completely or partially deliver the transportation-related service or project.

## P3 Office Milestones:

### 2012

- **July:** Gov. Corbett signs the Public and Private Partnerships for Transportation Act into law.
- **September:** Gov. Corbett names the first members of the P3 Board.
- **October:** PennDOT Secretary and P3 Board Chairman Barry J. Schoch, P.E. convenes the P3 Board for the first time.

### 2013

- **January:** P3 Board approves Implementation Manual & Guidelines and the 511 Traveler Information and Traffic Management Systems Project becomes the first P3 initiative approved by the board.
- **September:** P3 Board approves three projects, including the Rapid Bridge Replacement (RBR) Project; the Wireless Telecom Project; and the Truck Permit and Routing System project.
- **October:** P3 Office begins to accept unsolicited proposals for transportation projects from the private sector.

Under the statute, private sector partners can submit proposals offering innovative ways to deliver transportation projects across a variety of modes including roads, bridges, rail, aviation and ports.

### 2014

- **February:** Enhanced 511PA system is released, providing motorists with a more robust website at [www.511PA.com](http://www.511PA.com), as well as improved phone and personal-alert systems.
- **September:** State Farm agrees to a three-year contract to sponsor PennDOT's roving safety patrol. This P3 will offset nearly 11 percent of PennDOT's roughly \$4 million annual cost to operate the service, which is now named the State Farm Safety Patrol.
- **October:** Plenary Walsh Keystone Partners is selected for the RBR project. Financial Close anticipated March 2015. Four teams invited to submit proposals for the Wireless Telecom project.

# P3 BOARD

The statute established the seven-member Public Private Transportation Partnership Board, consisting of the Secretary of Transportation, the Secretary of Budget, a Governor's Appointee, and four Legislative Appointees, one member from each legislative caucus. The Secretary of Transportation serves as the Chairman of the P3 Board. Current P3 Board members are:

- Barry J. Schoch, Secretary of Transportation, Chairman
- Charles Zogby, Secretary of the Budget
- Nicholas DeBenedictis, President and CEO AquaAmerica
- Ronald J. Drnevich, former Chairman/CEO Gannett Fleming
- Michael S. Murchie, President, Commercial Specialty Business, M&T Bank
- Ryan N. Boyer, Business Manager, Laborers' District Council of Philadelphia & Vicinity
- State Representative Steve Santarsiero

The P3 Office works closely with the P3 Board, PennDOT's Senior Staff and the private sector to develop both solicited and unsolicited transportation projects that will improve transportation assets and services and deliver efficiencies and revenues for the commonwealth. The P3 Office team includes:

- Bryan Kendro, Director, Public-Private Partnerships Office
- Dale B. Witmer, AICP, Deputy Director, Public-Private Partnerships Office
- Kathryn Tartaglia, Project Manager, Public-Private Partnerships Office
- Gary Kleist, P.E., Project Manager, Rapid Bridge Replacement Project
- Robert J. Shea, Senior Deputy Chief Counsel

# P3 PIPELINE

## PROJECTS APPROVED BY THE P3 BOARD

### The Rapid Bridge Replacement Project

**Board Action:** Approved September 2013

**Procurement Status:** In October 2014, PennDOT selected Plenary Walsh Keystone Partners for this initiative, which replaces 558 bridges across the state. Construction anticipated to begin summer 2015 and will be complete by Dec. 31, 2017.

**Benefit to the Commonwealth:** Bridge Replacement Project will dramatically expedite PennDOT's ongoing effort to address the state's nearly 4,200 Structurally Deficient (SD) bridges.

Most of the bridge construction work will be performed by Pennsylvania contractors using

local labor forces. The Plenary Walsh team includes 11 PA-based subcontractors.

This P3 will allow PennDOT to replace the bridges more quickly, while achieving significant savings. The commonwealth will retain ownership of the bridges. The Plenary Walsh team will be responsible for maintaining each bridge for 25 years after its replacement.



# PROJECTS APPROVED BY THE P3 BOARD (CONT.)

## Sponsorship and Advertising Program

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**Board Action:** Approved January 2013

**Procurement Status:** Contract Awarded December 2013.

**Private Partner:** Travelers Marketing

**Benefit to the Commonwealth:** State Farm has agreed to a three-year contract to sponsor PennDOT's roving safety patrol, which offers free assistance to motorists on selected expressways in the Lehigh Valley, Philadelphia, Harrisburg, and Pittsburgh.

This sponsorship will offset nearly 11 percent of PennDOT's roughly \$4 million annual cost to

operate the service. As part of the sponsorship, existing patrol vehicles received an updated look including the State Farm logo and enhanced, highly reflective safety markings to increase visibility to motorists. Travelers Marketing continues to pursue additional sponsorship and advertising programs under this P3, including PennDOT's Yellow DOT program, PennDOT Rest Areas and PennDOT Mail inserts



## 511 Traffic and Traveler Information

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**Board Action:** Approved January 2013

**Procurement Status:** Contract Awarded

**Private Partner:** Information Logistics

**Benefit to the Commonwealth:** Information Logistics has developed a next generation 511 System for PennDOT which was released in February 2014. The 511PA system provides motorists with added safety benefits, including traffic flow maps and hands free, eyes free

notifications for smart phone users. PennDOT's savings are estimated at \$1.2 million for the first year of operation and \$1.5 million per year for each year thereafter, when compared to the continuance of the previous system.



## Compressed Natural Gas (CNG) Infrastructure for Transit

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**Board Action:** Approved September 2014

**Procurement Status:** Request for Qualifications issued November 2014

**Benefit to the Commonwealth:** This project will bring fueling stations to selected transit agencies across the state. The private partner will have the opportunity to provide fueling services to other public and private fleets. PennDOT would receive a portion of the fuel

sales revenue, with the money being returned to transit agencies to assist with future capital projects. PennDOT anticipates final selection of a team to develop this initiative in the summer of 2015.



# PROJECTS APPROVED BY THE P3 BOARD (CONT.)

## Wireless Telecom Partnership

**Board Action:** Approved September 2013

**Procurement Status:** Four firms were shortlisted in October 2014

**Benefit to the Commonwealth:** The commonwealth would receive revenue from telecommunication companies leasing space on existing PennDOT assets. In addition,

more robust wireless coverage would improve emergency response efforts and would bolster PennDOT's Intelligent Transportation Systems network.



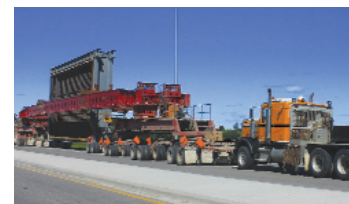
## Truck Permitting and Routing System

**Board Action:** Approved September 2013

**Procurement Status:** The P3 Office received four responses to an RFP issued in August 2014 and continues to evaluate those proposals.

**Benefit to the Commonwealth:** The goal is to procure a new Automated Permit Routing Analysis System (APRAS) to manage application processing, route generation, route

review and permit issuance of special hauling permits. This initiative will reduce PennDOT costs and improve overall performance for our business partners. PennDOT anticipates selection of a firm in January 2015.



# PROJECTS IN DEVELOPMENT

## Amtrak Keystone Line Train Station Development

The P3 Office issued a Request for Information (RFI) in March 2014. The office is evaluating opportunities to develop several stations on the Keystone Line. PennDOT's private sector partners would provide better access to parking, achieve Americans with Disabilities Act compliance; and provide additional upgrades and improvements. Revenue generated from the parking and other activities would help reduce PennDOT's subsidy of the line.

Based on the responses to the RFI, the Office is evaluating the potential for one or more stations to be developed as a P3 project. PennDOT continues to work with Amtrak in its effort to advance one or more projects along the corridor.



# PROJECTS UNDER EVALUATION

## Smart Truck Parking

The P3 Office is evaluating a project to provide truck drivers with parking availability in advance of rest areas, welcome centers, and truck stops. The goal is to reduce safety hazards caused by trucks parked alongside highway on and off ramps, especially during severe weather. The P3 Office and

PennDOT's Highway Administration Office are evaluating responses to an RFI issued in August.



# PROJECTS UNDER EVALUATION (CONT.)

## Capital Area Transit Bus Maintenance Facility

A potential private partner has proposed a P3 with Capital Area Transit to finance, build and maintain a new maintenance facility for the Harrisburg-based transit agency. CAT would lease the facility from the private developer.

In April, the office issued a Request for Information (RFI) seeking a potential private partner for this initiative. The office continues to work with CAT to advance the project.

## Wireless Waterways

The P3 Office is assisting the Port of Pittsburgh Commission in the evaluation of P3 opportunities to leverage and expand its wireless broadband network. The goal is to better facilitate and manage the movement of

goods in and out of the port; to advance economic development; to deliver internet access to barges and crew members; and to encourage support to better fund the aging systems of locks and dams along the rivers.

## LED Retrofit

PennDOT is working with the Federal Highway Administration (FHWA) and the State Transportation Innovation Council to test and evaluate the use of LED lighting on one or more

pilot projects across the commonwealth. The P3 Office expects to use those results to help form the basis for a more comprehensive P3 project.

# SUMMARY

## APPROVED PROJECTS

- **Rapid Bridge Replacement**      September 2013....Will bolster PennDOT's ongoing effort to address the state's structurally deficient bridges
- **Sponsorship/Advertising Program**      January 2013 .....Private partner will manage sponsorship/advertising program that will help offset costs of important public programs (freeway service patrols, rest areas, welcome centers, etc.)
- **511 Traffic/Traveler Info**      January 2013 .....Develop next generation 511 that will provide motorists with added functionality and safety benefits
- **CNG Fueling Infrastructure**      September 2014 ...Develop fueling stations for transit agencies across the state
- **Wireless Telecom Partnership**      September 2013....Additional revenue from leasing space on existing PennDOT facilities would be used to bolster PennDOT's Intelligent Transportation Systems Network
- **Truck Permitting/Routing System**      September 2013....Procure a new Automated Permit Routing Analysis System (APRAS)

## PROJECTS IN DEVELOPMENT

- **Smart Truck Parking** .....Provide truck drivers with parking availability in advance of rest areas, welcome centers and truck stops. This would reduce safety hazards caused by trucks parked along the highway on off/on ramps, especially during severe weather.

## PROJECTS UNDER EVALUATION

- **Capital Area Transit Bus Maintenance Facility** .....Private partner would finance, build and maintain a new maintenance facility for Capital Area Transit
- **Wireless Waterways** .....The goal is to facilitate the movement of goods in and out of port, and to encourage support to fund aging systems of locks and dams along the states rivers.
- **LED Retrofit** .....PennDOT is working with the Federal Highway Administration (FHWA) and State Transportation Innovation Council to test and evaluate the use of LED lighting.

## PROJECTS DEFERRED

(Lacked necessary research to demonstrate feasibility or needed more specific details.)

- **Bridges That Pay For Themselves**
- **Greater Pittsburgh Area Railway**