CMAA P3 Conference
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September 27, 2012
Presidio Parkway

- Built in 1936, 1.5 miles connecting San Francisco/Peninsula with Golden Gate Bridge & North Bay; mostly on structure
- 2 substandard lanes in each direction, “soft” barrier separates directional traffic
- 144,000 vehicles per day
- Damaged in 1989 earthquake, retrofit and rehab since
- Need for permanent replacement
Project Needs Span Safety, Financial, and Mobility

• Replacement is Urgently Needed
  – Seismically challenged
  – Problematic safety record

• Potential Impacts of Closure
  – Economic costs: $420M / year
  – Traffic diverted to other bridges
  – $100M / year higher transit subsidies
Parkway Design

- Replace deficient facility
- Two new tunnels
- Wide landscaped median
- New direct access to Presidio
- Continuous shoulders
Why Presidio Parkway as a Public Private Partnership (P3)?

- Lower lifecycle cost and better cost certainty
  - Better schedule certainty
  - Better product; asset guaranteed to be well maintained & operated throughout concession
- Project funding challenges
- State funds freed up now for other projects
Risk Sharing: Traditional DBB

**PUBLIC**
- Project interfaces
- Right of Entry
- Environmental & Historical Artifacts
- Long term O&M
- Design
- Contractor Failures

**PRIVATE**
- Site Construction

**SHARED**
- Cost overrun
- Quality
- Timely Completion
Risk Sharing: P3

- **PUBLIC**
  - Right of Entry
  - Environmental & Historical Artefacts

- **PRIVATE**
  - Long term O&M
  - Design
  - Site Construction
  - Contractor Failures
  - Cost overrun
  - Timely completion
  - Quality

- **SHARED**
  - Project interfaces
PB: Owner’s Rep Roles (1)

• Prepared environmental document (1999-2008)
• JV w/Arup for final design (2007)
• Passage of P3 legislation (2009)
• Decision by SFCTA and State of California to undertake P3 using availability payment for Phase 2 of project (2009)
• Plan & develop P3 (2010), working with SFCTA & Caltrans
PB: Owner’s Rep Roles (2)

- Work with Caltrans & SFCTA to develop:
  - Business case, demonstrate value for money
  - Calif. Transportation Commission approval
  - Technical specifications and documentation
  - Performance requirements, capital & O&M

- Assist procurement with:
  - Contract documents
  - Proposal evaluation
  - Negotiation of final terms
P3 Steps & Timeline

- Industry review: July 2009
- SOQs submitted: March 2010
- RFP issued: July 2010
- Proposals submitted: Sept/October 2010
- Selection of Golden Link Partners, LLC: Oct 2010
- Commercial close: Jan 2011
- Financial close: June 2012
- Phase 1 construction essentially completed (traditional DBB): April 2012
Factors to Consider

- Project phase
- Balance between technical and financial criteria for proposal evaluations
- Pace of procurement: Allow enough time to fully complete engineering/financial investigations and contract documents
- Full understanding of third-party stakeholders
Why P3? Why Here?

- Near-term funding infusion
- Competition
- Delivery incentive
- Price certainty
- Transfer of risk
- Lifecycle cost included
- Additional expertise
- New tool in the toolkit