

P3 Program Guidelines



Arizona Department
of Transportation

Office of P3 Initiatives and Major Projects
Arizona Department of Transportation

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March 2022

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1. INTRODUCTION

1.1 Statutory Authority

The governing statute for the Public-Private Partnership (P3) Guidelines is Chapter 22 of Arizona Revised Statutes (A.R.S.) Title 28, A.R.S. § 28-7701 *et seq.* The statutes address private sector participation in enhanced, upgraded, or new facilities used or useful for the safe transport of people, information, or goods via any mode of transportation. Other cooperatively used statutes include A.R.S. § 28-7316, which allows the Arizona Department of Transportation ((ADOT), See Appendix A for additional defined terms and acronyms) to pursue sponsorship opportunities, and A.R.S. § 28-409, which allows ADOT to participate in advertising initiatives and establishes the shared location and advertising agreements expense fund.

In addition, A.R.S. § 28-7704(A)(2) authorizes procurements arising from Unsolicited Proposals if ADOT determines that such proposal:

- (a) Has sufficient merit, and
- (b) That a reasonable opportunity is afforded other entities to submit proposals for consideration through a competitive procurement.

The Office of P3 Initiatives (the Office), is committed to fair, public, transparent, and competitive procurements. A competitive public procurement is the preferred procurement methodology for all P3 procurements.

From time to time, the Office may use its authority under A.R.S. § 28-7704(A)(1)(e), which states ADOT “may procure services under this chapter using...other procedures that the department determines may further the implementation of this chapter.” On occasions where a contract may be seen as a continuation or extension of another existing or previous award, when a new contractor wishes to continue a relationship with a firm currently providing similar or related services, or other similar circumstances that make an entirely new procurement impractical, the Office may choose to use an alternative procedure that enables the successful delivery or development of a P3 program or project. Such a decision will rest with the Senior Deputy State Engineer or designee following consultation with ADOT’s legal counsel.

1.2 Purpose

These Guidelines have been developed pursuant to A.R.S. § 28-7702, which states that ADOT “shall adopt such rules or guidelines as it determines necessary.”

The purpose of these Guidelines is to document a clear, consistent, efficient, and transparent management of innovative project delivery. These Guidelines will be available for reference by the public, the private sector, and other governmental entities on [ADOT’s website](#).

This is intended to provide general guidance only. ADOT recognizes that each project will have unique characteristics and goals and ADOT intends to retain flexibility in the use of these Guidelines to further the interest of the State and the public. The Office, at its sole discretion, may waive or deviate from some or all of these Guidelines where it deems such waiver(s) or

deviation to be in the State's best interest. In no event shall any such waiver of deviation result in any liability for ADOT, the State, or any other party.

1.3 Goals and Objectives

ADOT's goals and objectives are to accelerate and enhance the delivery of transportation projects benefiting the State and its citizens by utilizing available P3 procurement and project delivery methods.

Although what follows is not an exhaustive list, ADOT determines whether the use of a P3 project delivery method can provide some, or all, of the following:

- (a) Greater partnership opportunities between the public and private sectors
- (b) More choices in funding and delivery methods
- (c) Accelerated project delivery
- (d) Greater cost certainty
- (e) Minimized public cost and investment, including better leveraging of limited public funds
- (f) Improved life-cycle costs and/or quality
- (g) Less congested facilities
- (h) Reduced and more consistent travel times
- (i) Improved quality of life
- (j) Conservation of natural resources
- (k) Improved air quality, sustainability, and overall environmental management
- (l) Enhanced safety attributes

2. ADMINISTRATION

The Office provides overall management for the procurement of projects and agreements using the various P3 delivery methods set forth in Section 6.1. This includes coordination of projects and agreements within ADOT and externally with other governmental agencies. The Office reports to the State Engineer and will periodically brief the State Transportation Board. The ADOT Director has ultimate authority for the P3 Program.

2.1 Reliance on ADOT Staff

Staff and resources of other ADOT Divisions will be available to the P3 Program to provide proper review and input into the development of the Solicitation Documents and the evaluation of Proposals. In the true spirit of "One ADOT," sharing of resources from other Divisions to support P3 project delivery will be done through close coordination with Division, Section, and Group Managers.

2.2 Outside Consultants

ADOT may procure and engage the services of an array of consultants to provide essential screening, planning, study, management, advisory, and oversight services to the Office on a program and/or project-specific basis. These consultants may include program management,

financial, legal, technical, traffic and revenue, tolling technologies and operations, communications, and any others as needed. These consultants will report to the Office.

2.3 Audit and Analysis

As an integral part of ADOT, the Office is subject to audit and review. The Office will make changes as needed in compliance with any internal performance audits.

2.4 Stakeholder Outreach and Collaboration

The Office will reach out and seek collaboration and counsel with stakeholders, as necessary, for both program and project development.

2.5 Technical Advisory Team

The Technical Advisory Team is a project-specific committee consisting of designated ADOT personnel and potential representatives of organizations responsible for transportation in the area of a proposed project, formed by the Office as needed.

Technical Advisory Team members may consist of ADOT staff, outside agencies, and consultants as deemed appropriate. Technical Advisory Team members will be identified based upon the project needs. The Office may provide administrative support to the Technical Advisory Team.

The Technical Advisory Team advises the Office on technical issues related to P3 projects. It will provide technical input in the assessment of candidate projects during the development of Solicitation Documents, technical analysis as required in the evaluation of proposals, and advice and support during any negotiations with shortlisted teams prior to award.

2.6 Steering Committee

The Steering Committee is a standing committee that is composed of ADOT management and/or their designees. The Senior Deputy State Engineer or designee chairs the Steering Committee.

The Steering Committee has the responsibility to provide guidance as needed to the P3 Program. Meetings will be scheduled as appropriate, at the discretion of the ADOT Director, State Engineer, and/or the Office.

Steering Committee members may include, but are not limited to, the following, or their designated representative:

- (a) Director, Infrastructure Delivery and Operations Division (IDO)
- (b) Director, Transportation Systems Management and Operations Division (TSMO)
- (c) Chief Financial Officer
- (d) Director, Multimodal Planning Division (MPD)
- (e) Director, Communications Office
- (f) Director, Motor Vehicle Division (MVD)
- (g) Director, Administrative Services Division (ASD)

- (h) Director, Policy and Government Relations
- (i) Director, Enforcement and Compliance Division (ECD)

The final decision for moving forward with a project will be made by the ADOT Director.

3. P3 PROJECT INITIATION AND DEVELOPMENT

The Office is responsible for the development of projects that may require a P3 approach. As every project brings with it its own unique set of variables, the phases described below are suggestive and may be modified.

A new project can be identified internally from within ADOT (See Section 4), or externally through an Unsolicited Proposal (See Section 5). During project initiation and development, the Office leads the effort, coordinating with multimodal planning, technical and procurement staff, and consultants as necessary. The decision on whether to deliver a project as a P3 procurement rests on the analysis of some or all of the following factors:

- (a) Initial and detailed evaluations of both Internal and Unsolicited Proposals
- (b) Project feasibility
- (c) Project prioritization within ADOT
- (d) Scoping documents
- (e) Traffic and revenue reports
- (f) Cost/Benefit Analysis
- (g) Value for Money (VfM) Analysis
- (h) Requests for Information (RFIs) or other market sounding exercises
- (i) Receipt and evaluation of Letters of Interest (LOIs)
- (j) Viability of refined project scope based on industry input
- (k) Feasibility study

Projects already within ADOT's current Five-Year Transportation Facilities Construction Program are prioritized. Other projects may be considered after consultation with various offices within ADOT. The viability of a project for alternative delivery depends on changes within the region or community, natural disasters, new information, or other inputs may enable a project to be considered as a priority.

3.1 Feasibility Analysis

For all potential projects, the Office may conduct any of a variety of financial, economic, and/or social analyses to determine whether:

- (a) The project has a positive cost benefit ratio;
- (b) The delivery method brings value for money to the public; and
- (c) The project is affordable considering ADOT's overall financial capacity and competing priorities.

The results of these analyses including, but not limited to, Cost/Benefit Analysis, Cost Risk Assessment, and VfM Analyses are subsequently documented in a Business Case in support of a recommendation on whether and how to proceed with the project.

- (a) Cost/Benefit Analysis - Although a project may have already undergone a Cost/Benefit Analysis, consideration as a P3 may merit an updated, new analysis, along with a Cost Risk Assessment. For example, the total life-cycle cost of the project compared to the public benefits may need to be performed. Many different elements of a program's technical baseline and cost estimate are involved. This includes technology maturity, supply chain integrity, asset management performance goals, quantities, schedules, and acquisition considerations. These analyses may also include the payback period over which the investment in the project will be recovered through lower operating costs or increased benefit to the public. In addition, the current risk levels of a project are identified as well as what tools, if any, are available to mitigate some, if not all, of the risks identified.
- (b) Value for Money (VfM) Analysis - This analysis will assist in verifying which P3 delivery method yields the best value for money. A VfM Analysis compares the net present value of the total life-cycle costs of the project with various delivery methods and also considers both quantitative and qualitative costs and benefits and the proposed risk transfers under a P3 Agreement. For a project with a potential revenue source such as a toll or fee, the VfM analysis may assist in determining the optimum options for payment to the private contractor.

3.2 Industry Input

The interest of industry in the project may be considered as part of a project feasibility effort, or may be used to develop procurement documents, or both. Industry input may come from an RFI, an industry forum, a market sounding, and/or from individual meetings or conversations with industry representatives who may be interested in the project.

4. INTERNAL P3 PROJECT SUBMITTAL

Any ADOT Division can request a meeting with the Office to vet the possibility of a P3 delivery method to solve the challenge the ADOT Division is facing.

To evaluate whether a P3 approach would be advantageous, it is imperative that the requesting ADOT Division consider:

- (a) One or more potential revenue streams, which may include traditional public funding for use as an Availability Payment or other revenue sources, such as new or existing tolls, fees, or sponsorships.
- (b) Specific information about the current problem, process, or project, and how a P3 approach may be able to enhance the solution. Information should include whether a project is currently in ADOT's Five-Year Transportation Facilities Construction Program,

whether new challenges make this project likely to be considered a greater priority, and current costs.

- (c) The Division that would provide day to day oversight of the executed P3 Agreement.
- (d) Any new staffing or resources that would be needed to implement the executed P3 Agreement.
- (e) Project Owner, i.e., ADOT Section or Group responsible for the project after procurement.
- (f) Project stakeholders.

Please fill out and submit the [P3 Project Submission Checklist](#).

5. UNSOLICITED (EXTERNAL) P3 PROJECT SUBMITTALS

ADOT welcomes creative and innovative ideas that provide material benefit to the State and encourages the private sector to place a strong emphasis on innovation in developing Unsolicited Proposals. In an Unsolicited Proposal, the scope of a project is initially established by an external Proposer. ADOT will analyze and evaluate Unsolicited Proposals to determine if:

- (a) The project is of value to the public.
- (b) The project is in the best interest of the State.
- (c) The project has a reasonable probability of being successful as a P3 project.

The burden is on the Proposer to demonstrate these attributes to ADOT. Firms considering submission of Unsolicited Proposals are strongly encouraged to discuss the project informally with ADOT prior to preparing a proposal (See Section 5.1). Each Unsolicited Proposal must comply with statutory mandates and include the information set forth in Section 5.4 of these Guidelines.

Unsolicited Proposals will be subject to a three-step evaluation process, detailed in Section 5.5 and comprised of:

- (a) Pass/Fail
- (b) Initial Evaluation
- (c) Detailed Evaluation

Once a Proposal has been determined to be in compliance with the Pass/Fail test, ADOT will conduct an Initial Evaluation, and then a Detailed Evaluation, if the Initial Evaluation indicates further evaluation is warranted. ADOT may reject the Unsolicited Proposal and return it to the Proposer at any time during this period if it determines that the Unsolicited Proposal lacks the necessary merit to move forward. Within 10 business days of receipt of the Proposal, ADOT will contact the Proposer to discuss the timeline for moving forward with the aforementioned three-step evaluation process.

Rejected Unsolicited Proposals are not appealable. No rights or remedies for any such rejection will be afforded. ADOT makes no commitment to (i) the time period of any such review and

evaluation, (ii) the outcome of any such review and evaluation; or (iii) whether a rejected Unsolicited Proposal will result in a solicitation for competing proposals or an Agreement. All entities submitting an Unsolicited Proposal do so at their own risk and without reliance on, representation or warranty by, or recourse to ADOT.

5.1 Preliminary Meetings to Discuss Potential Unsolicited Proposals

Potential Proposers considering the submission of an Unsolicited Proposal are strongly encouraged to request meetings with ADOT to have preliminary discussions prior to development of a formal proposal and submission under the P3 Guidelines. Such discussions are intended to give ADOT a clear understanding of the proposer's concept, and to give feedback on whether ADOT believes there may be "sufficient merit" to pursue such a proposal. These discussions are in no way meant to dictate to a potential Proposer or to discuss possible "deal points" of such a proposal. Once a proposal is submitted, communication between ADOT and the Proposer is limited and more formal (see Section 6.7).

Regardless of any feedback from ADOT arising from any preliminary meetings, there is no prohibition on submission of an Unsolicited Proposal so long as it meets all P3 Guideline requirements in effect at the time.

5.2 Proposal Review Fee

All costs incurred by the Proposer in preparing and submitting an Unsolicited Proposal will be borne solely by the Proposer. The State, ADOT, or any of their agents, representatives, consultants, directors, officers, or employees will not be liable for, or otherwise obligated to, reimburse the costs incurred by the Proposer, whether or not selected for negotiations, in developing the proposal or negotiating an Agreement.

Upon notification that the project will undergo a Detailed Evaluation, the Proposer will submit a nonrefundable Proposal Review Fee for \$50,000. This fee is based on 10% of the estimated cost for ADOT to conduct a detailed analysis of all elements of the Unsolicited Proposal. The Detailed Review will not commence until ADOT receives the Proposal Review Fee. Any Proposal Review Fee(s) defined in the P3 Guidelines that are posted on [ADOT's website](#) at the date and time of the original proposal submission will govern.

5.3 Multiple Submissions

ADOT will evaluate submissions in chronological order of their receipt. If ADOT receives another Unsolicited Proposal that appears to be substantially similar to the original Unsolicited Proposal under review, ADOT will:

- (a) Stop the review of the original Unsolicited Proposal.
- (b) Determine, if in fact, the two Proposals are substantially similar.
- (c) If so, the second proposal will then be returned to the second Proposer and evaluation of the first proposal will resume.
- (d) If determined to not be substantially similar, the second proposal will be evaluated after the original one.

5.4 Unsolicited Proposal Submittal Requirements

An Unsolicited Proposal must contain information sufficient for ADOT to evaluate the merits of the proposed project, the financial viability of the project, the benefits to the State of the proposed project, and of project delivery utilizing a P3 delivery method over a conventional delivery method.

One hard and one electronic copy of an Unsolicited Proposal must be delivered in a sealed and padded envelope to ADOT at the following address:

Arizona Department of Transportation
Office of P3 Initiatives and Major Projects
Attn: Senior Deputy State Engineer
206 South 17th Avenue, Mail Drop 139A
Phoenix, AZ 85007

Page Format Parameters – A page is defined as an 8½ x 11-inch, blank or printed. Conceptual drawings may be exempt from this definition. All pages including covers, table of contents, tables, figures, photographs, divider sheets, maps, etc. are counted as pages.

It is recommended that Unsolicited Proposals be no more than 25 single-sided pages. If additional pages are needed, the Proposer must contact the Office. While ADOT encourages innovation from the private sector, the lengthier the proposal, the longer it will take for ADOT to review it.

Print and Font Size – Proposers must use an 11-point or larger font for the body of the proposal. The use of standard basic fonts, such as Arial and Times New Roman, found in all Microsoft software and print drivers is highly recommended in order to avoid any formatting issues. The goal is to make the document clear and legible.

No video clips or other multimedia applications are allowed.

Table 1 Required Outline for Submittal of an Unsolicited Proposal

Section	Format Content
Section I	Executive Summary
Section II	Statement of Need / Project Description
Section III	General Proposer Information / Firm Capability and Experience
Section IV	Project Development Plan (a) Technical Approach – Construction and Development / Operations and Maintenance (b) Estimated Schedule
Section V	Public Outreach Plan (optional)
Section VI	Financial Proposal / Considerations
Appendix (optional)	References, conceptual drawings, etc.

5.4.1 Section I – Executive Summary

The Proposer must include an executive summary covering the major elements of its Proposal that do not:

- i. Address the Proposer’s price,
- ii. Include the Proposer’s financing plan, or
- iii. Include any trade secrets or confidential commercial, financial, or proprietary information that the Proposer considers to be exempt from disclosure pursuant to A.R.S. § 28-7707.

The executive summary will be a public document and may be posted on [ADOT’s website](#).

5.4.2 Section II – Statement of Need / Project Description

A statement of need and project description should include the following, as applicable:

- i. Graphics (maps, plans, etc.) with accompanying narrative
- ii. The limits, scope, location of the proposed project, including where applicable project length, termini, number of lanes, lane mile numbers, and types of structures, (or other information associated with relative project size for non-highway projects), rolling stock, capital equipment, etc.
- iii. Right-of-way requirements
- iv. Interconnections to other transportation facilities and improvements to those facilities that will be necessary

- v. A conceptual project design, if applicable
- vi. A statement of the project's consistency with the Statewide Transportation Improvement Program (STIP) and relevant MPO/COG plans and expected results including financial performance and improvements to mobility and capacity
- vii. All studies completed by the Proposer concerning the project
- viii. Environmental reviews conducted and its status or anticipated requirements
- ix. Anticipated roles and responsibilities of ADOT in connection with the proposed project, including estimated ADOT contributions

5.4.3 Section III – General Proposer Information / Firm Capability and Experience

Information about the Proposer and their ability to deliver a project should include:

- i. Information on the experience, expertise, technical competence, and qualifications of the Proposer and of each member of the Proposer's management team. This includes any key employees, consultants, and subcontractors, including their name, address, and professional designation.
- ii. Identify the person(s) who will be responsible for ensuring that adequate personnel and other resources are made available for this project, who will handle contractual matters, and who will be ultimately responsible for the quality and timeliness of the Contractor's performance. Discuss previous similar projects for which this person has performed a similar function and years of experience.
- iii. Identify who will actively manage this project. Indicate the individual's availability for the life of the project. List recent similar projects for which this person has performed a comparable function. Discuss relevant experience and provide references for similar projects.

5.4.4 Section IV – Project Development Plan – Technical Approach

- i. Construction and Development / Operations and Maintenance - A plan describing the proposed construction and development. If operations and/or maintenance is part of the Unsolicited Proposal, this should also be included and describe how the operations and/or maintenance will be addressed over the period of the proposed Agreement including, but not limited to, the management structure and approach, the proposed period of time, law enforcement, User Fee collection and enforcement (if applicable), routine maintenance, capital maintenance, emergency response, etc. (See Section 6.3.1).
- ii. Estimated schedule - An estimated schedule must be provided showing relevant anticipated dates including contract award, commercial close, financial close (if applicable), start of construction, completion of construction, start of operations, and anticipated major maintenance or reconstruction activities during the life of the proposed Agreement.

If the procurement delivery model is a Pre-Development Agreement (PDA), the Proposal contents will generally differ significantly from that required for other P3 project delivery methods. Proposers are strongly encouraged to request meetings with ADOT prior to

submitting an Unsolicited Proposal for a PDA. PDA implementation is further discussed in Section 8.4. Generally, the proposal for a PDA will focus on the Proposer's:

- i. Overall approach to the PDA process and a demonstration of how the project can be effectively and efficiently developed, financed, and completed
- ii. Proposed initial scope of work to advance and define a feasible project that can be ultimately scoped, priced, and the financing secured. Further details on what may be included in the project description and schedule are found in Sections 6.3.1 and 6.3.2
- iii. Relative responsibilities between ADOT and the Proposer during the PDA phase
- iv. The payment structure, terms, and conditions under which the Private Partner will be compensated for undertaking the PDA scope of work, including whether such work shall be contributed at a discount or as "sweat equity"
- v. Schedule and milestones applicable to the PDA scope activities
- vi. Explanation as to why the PDA approach is best for this Proposal
- vii. Other elements necessary for completion of the proposed PDA process

To complete the evaluation, ADOT may require additional information, details, and clarifications. Unsolicited Proposals submitted with a PDA recommendation and determined to have merit, will still be competitively advertised as described in Section 6.

5.4.5 Section V – Public Information

This is an optional section depending on the Project and what the Proposer thinks would be helpful in this area for ADOT's review.

5.4.6 Section VI – Financial Proposal

A finance plan describing the proposed financing of the project that identifies the source of funds to develop, design, construct, operate, and/or maintain the Eligible Facility, including, as relevant, Proposer equity, commercial debt, Transportation Infrastructure Finance and Innovation Act (TIFIA) loans, proposed ADOT contributions, and the projected revenue stream. If User Fees or other revenue streams will be generated by the project then a description of the User Fee structure should be included.

5.5 Unsolicited Proposal Evaluation Process

The evaluation of Unsolicited Proposals includes:

- (a) Pass/Fail - The Office will determine whether the Unsolicited Proposal meets the submittal requirements described in Table 1.
- (b) Initial Evaluation - Starting concurrent with the Pass/Fail Review, the Office will make a preliminary assessment of the Proposal. The Office will seek to find information sufficient for ADOT to initiate discussion on the merits of the proposed project, financial viability of the project, benefits to the State of the proposed project, and delivery of said project using a P3 delivery method over a conventional method.

At any time during this evaluation, the Office may request clarifications or additional information from the Proposer. The Office may determine that the Proposal is not in the best interest of the State or consistent with ADOT priorities and goals and reject the Proposal, returning it to the Proposer. If the Office is satisfied that the project is of value to the State and consistent with ADOT priorities and goals, it will summarize its initial assessment of the Proposal for confidential discussion with the appropriate Committees and potentially the State Transportation Board.

- (c) Detailed Evaluation - Prior to the start of the Detailed Evaluation process, the non-refundable Proposal Review Fee, described in Section 5.2 needs to be received by ADOT.

A Technical Advisory Team, as described in Section 2.5, will perform a Detailed Evaluation, with the assistance of consultants. This evaluation will be more comprehensive than the Initial Evaluation and will examine technical, financial, and legal elements of the Proposal in greater detail (See Section 3). The Detailed Evaluation will also assess whether the Proposer has clearly demonstrated creativity, innovation, and that moving a proposed project forward as a P3 project is advantageous as compared to other delivery methods. At this stage in the evaluation, ADOT may, at its sole discretion, choose to seek public input through public polls, focus groups, or other public meetings.

At any time during the Detailed Evaluation, ADOT may at its sole discretion, request clarifications, additional information, or choose to meet with the Proposer to seek additional insight. Such meetings are for information only and ADOT is not bound by any such informal discussions.

At the completion of the Detailed Evaluation, ADOT may reject the Proposal and return it to the Proposer, or choose to move all or some of the project forward in a competitive procurement process.

The objective of this evaluation process is to determine if:

- (a) The Unsolicited Proposal and proposed project appear to meet the statutory requirements
- (b) The proposed project is of potential value to the citizens of Arizona
- (c) The proposed project appears to have a reasonable probability of being successful as a P3 project

At any time during this evaluation, the Unsolicited Proposal may be found noncompliant or inconsistent with ADOT goals or priorities and therefore be rejected and returned to the Proposer. If the Proposal passes all three steps of the evaluation, ADOT may begin a procurement process to solicit competing Proposals as described in Section 6. The Office may be assisted by its consultant team during the procurement and evaluation process.

The Office, in its sole discretion, will determine the time period for completing the Initial and detailed evaluations based on proposal complexity, resource availability, workload, and other relevant factors.

5.5.1 Release to Public

After completion of the Initial Evaluation, if the Proposal proceeds to Detailed Evaluation, an executive summary will be made public pursuant to A.R.S. § 28-7707(B).

5.5.2 Determination of Merit

If an Unsolicited Proposal is meritorious, a competitive solicitation process (See Exhibit A) will be initiated pursuant to A.R.S. § 28-7704(A)(2). ADOT may, at its sole discretion, modify a project or project scope and other commercial, technical, and financial terms contained in an Unsolicited Proposal.

5.6 Suspension of Certain Unsolicited Proposals

While an Unsolicited Proposal can be submitted for any project that is characterized as an Eligible Facility, it has been determined that it may be in the best interest of ADOT and potential Proposers if a suspension is placed on certain types of projects periodically. The imposition of a suspension on a certain Unsolicited Proposal does not prohibit a potential Proposer from requesting meetings with ADOT to discuss potential Unsolicited Proposal concepts in order to prepare for when the suspension is lifted.

6. P3 PROJECT PROCUREMENT

If ADOT determines that a new P3 project, whether arising from an Unsolicited or Internal Proposal, serves a public purpose and is suitable for delivery under one of the mechanisms described in Section 6.1, ADOT will initiate a procurement requesting proposers to develop, finance, design, construct, maintain, or operate, or any combination thereof, the Eligible Facility. Procurement preparation begins with the determination of the preferred procurement type – a two-step procurement with both a Request for Qualifications (RFQ) and Request for Proposals (RFP) or a one-step procurement featuring just an RFP.

- (a) RFQ – interested parties who believe they meet specified qualifications respond and are evaluated by ADOT. The responses are used for shortlisting the most competent proposers eligible to receive an RFP.
- (b) Issuance of an RFP only – when an RFP is posted and any entity may respond.

The Office will facilitate a decision about which type of procurement is most appropriate. Generally, a more complex proposal with very specific or specialized needs will be better served with a two-step proposal and is more commonly used.

The RFQ may require Proposers to submit information different from or in addition to the information referenced in these Guidelines.

Project oversight, construction, and development requirements are key factors that will determine whether ADOT Procurement, Contracts and Specifications (C&S), Engineering Consultants Section (ECS), P3 consultants, or some combination thereof will serve as the Procurement Administrator for a new project. The Procurement Administrator needs to understand the authority given to ADOT for P3 projects pursuant to A.R.S. § 28-7704(F), which

states “[ADOT] may procure services, award agreements and administer revenues as authorized in this section notwithstanding any requirements of any other state or local statute, regulation or law relating to public bidding or other procurement procedures or other provisions otherwise applicable to public works, services, or utilities.”

The Technical Advisory Team will identify and initiate compliance for all applicable federal requirements such as Disadvantaged Business Enterprise (DBE), On-the-Job Training (OJT), Utilities, Rights of Way (ROW), Environmental, Title VI, etc., on new P3 projects. Certain P3 funding sources may trigger NEPA (National Environmental Policy Act) requirements for environmental approvals, resource agency permitting, and construction mitigation and oversight. There is no exemption from federal compliance in P3 legislation.

When a new project enters the procurement phase, the Office works collaboratively with the Procurement Administrator to set up the internal Technical Advisory Team for technical, legal, and overall development and review of Solicitation Documents, including any draft agreements and participation in the Evaluation Committee. The Procurement Administrator will publish all the formal Solicitation Documents when ready and handle all communications with potential Proposers. A representative of the Office may serve as a voting member of the Evaluation Committee evaluating Statements of Qualifications (SOQs) and technical and financial proposals. A representative of the Office and the Procurement Administrator will, as appropriate and to the extent possible, participate in all Industry Meetings and One-on-One meetings with the shortlisted teams. In addition, a representative from the Office will participate in negotiations with the Preferred Proposer.

ADOT will issue public notices of its procurements consistent with applicable legal requirements. Notices will generally describe the project scope or services desired, indicate the recipient of and the deadline for responses, and contain such other information as ADOT deems appropriate for the project.

A link to Solicitation Documents issued by ADOT will be available to the public on [ADOT's website](#). Public announcements of shortlisted Proposers and the Preferred Proposer selected for negotiations will be issued by the Office and also be available on [ADOT's website](#).

6.1 Delivery Mechanisms

Internal and Unsolicited Proposal processes can accommodate several different types of delivery methods. The type of delivery mechanism may be determined on the basis of, among other things, the nature and status of the project, risk factors, scheduling, funding, and goals. The procurement package should reflect the intended project delivery mechanisms as set forth in A.R.S. § 28-7703.

Possible delivery mechanisms for alternative delivery projects may include:

- (a) Pre-development Agreements (PDAs) leading up to other implementing agreements
- (b) Design-Build Agreement
- (c) Design-Build-Finance Agreement

- (d) Design-Build-Maintain Agreement
- (e) Design-Build-Finance-Operate Agreement
- (f) Design-Build-Operate-Maintain Agreement
- (g) Design-Build-Finance-Operate-Maintain Agreement
- (h) Value Capture Agreement
- (i) Concession Agreement providing for the Private Partner to design, build, operate, maintain, manage, or lease an Eligible Facility
- (j) Any other project delivery method or agreement or combination of methods or agreements that ADOT determines will serve the public interest.

If the procurement is the result of an Unsolicited Proposal, the entity that submitted the Unsolicited Proposal, if they choose to participate, will be required to engage in a competitive process and submit a valid response to an RFQ or RFP. Further details on the Internal and Unsolicited Proposal submission processes are found in Sections 4 and 5 of these Guidelines.

6.2 Proposer Review Meetings

Proposer Review Meetings may be held at the sole discretion of ADOT. The meetings are intended to share ADOT information regarding drafts of solicitation related documents (Instruction to Proposers, Technical Requirements, P3 contracts, etc.) with prequalified or shortlisted Proposers and obtain feedback, comments, and suggestions regarding key project components and technical, financial, and legal issues. Proposer information that is confidential or proprietary will not be shared during this process.

The meetings may be joint workshops with all prequalified or shortlisted Proposers or individual One-on-One meetings (which may be meetings or conference calls), as deemed necessary by ADOT. One-on-One meetings with the shortlisted Proposers are generally confidential and often address issues that are proprietary to the shortlisted Proposer. ADOT may amend procurement documents as a result of the One-on-One meetings. Prequalified or Shortlisted Proposers will each be materially afforded the same opportunity to meet and talk with ADOT in connection with the project. The same ADOT personnel and advisors should be present during each round of meetings.

In addition to meetings with the prequalified or shortlisted Proposers, ADOT may issue drafts of some or all of the RFP documents, including Instructions to Proposers, Technical Requirements, and the draft P3 Agreement. If a draft is published, Shortlisted Proposers will be encouraged to review draft documents thoroughly and submit written comments and questions concerning said documents. ADOT will review and consider such input and potentially revise or adjust the documents in consideration thereof. ADOT, at its own discretion, may limit the number, scope, or length of written comments and questions.

6.3 Required Content

Procurement documents issued by the Procurement Administrator will require information sufficient for ADOT to evaluate the capability of the Proposer to deliver the project. An RFQ, or an RFP in the case of a one phase procurement, will require information concerning the

experience, expertise, technical competence, and qualifications of the Proposer and of each member of the Proposer's management team. This may include any key employees, consultants, and subcontractors, including the name, address, and professional designation.

Sufficient financial information may be required in the Solicitation Documents to enable ADOT to assess whether a Proposer has the appropriate financial capacity to assume the responsibilities and obligations required to deliver the project on schedule and on budget.

The inclusion of financial statements (including audited financial statements where available) and disclosure of material changes in the Proposer's financial position may be required submittals.

6.3.1 Project Description

Solicitation Documents will include a project description with the following, as applicable:

- i. The limits, scope, location of the proposed project, including where applicable, project length, termini, number of lanes, lane mile numbers, and type of structures, (or other information associated with relative project size for non-highway projects), rolling stock, capital equipment, etc.
- ii. Right-of-way requirements and acquisition status.
- iii. Interconnections to other transportation facilities and improvements to those facilities that will be necessary if the project is developed.
- iv. A conceptual project design, if available.
- v. A statement of the project's consistency with the STIP and relevant MPD plans and expected results including financial performance and improvements to mobility and capacity.
- vi. All studies that may have been completed by the Proposer concerning the project.
- vii. Information on environmental review requirements and status.
- viii. Information concerning the ADOT anticipated roles and responsibilities in connection with the proposed project, including estimated ADOT financial or other contributions.
- ix. For non-highway projects, complete descriptions of the project including scope, location(s), budget, and other information.
- x. Maps, charts, or other graphics, as applicable.

6.3.2 Schedule

A schedule showing relevant anticipated dates including contract award, commercial close, financial close (if applicable), start of construction, completion of construction, start of operations, and any other anticipated major maintenance or reconstruction activities during the life of the proposed Agreement.

6.3.3 Bonds, Letters of Credit, Guarantees, Insurance

Solicitation Documents may require a Proposers demonstrate and/or provide that it or its lead contractor is able to obtain performance and payment bonds, a letter of credit, parent company guarantee, or other security acceptable to ADOT and consistent with

the size and complexity of the project. Similarly, a proposer may be asked to demonstrate that it is able to obtain insurance covering general liability, auto liability, pollution liability, and liability for errors and omissions that ADOT, at its sole discretion, may require. Note that under the P3 statute, ADOT is allowed to require performance and payment bonds at less than 100% of the value of the contract, based on a case by case determination of what is needed to protect the public. (See A.R.S. § 28-7705(A)(14))

6.3.4 Licenses and Certifications

Solicitation Documents may require a Proposer demonstrate that it and its members, subcontractors, and consultants possess or can obtain by the date of award, if any, the licenses and certificates necessary to carry out their respective functions within the State.

6.4 Public Records and Confidentiality

Pursuant to A.R.S. § 28-7707(A), proposers must identify those portions of a proposal or other submission that the proposer considers to be trade secrets or confidential commercial, financial or proprietary information. In order for confidential and proprietary information and trade secrets to be exempt from disclosure, the private entity must do all of the following:

- (a). Invoke exclusion on submission of the information or other materials for which protection is sought.
- (b). Identify the data or other materials for which protection is sought with conspicuous labeling.
- (c). State the reasons why protection is necessary.
- (d). Fully comply with any applicable state law with respect to information that the proposer contends should be exempt from disclosure.

Pursuant to A.R.S. § 28-7707(B), each request for proposals will require each proposer to include with its proposal an executive summary covering the major elements of its proposal that do not address the proposer's price, financing plan or other confidential or proprietary information or trade secrets that the proposer considered to be exempt from disclosure. The executive summary will be subject to release and disclosure to the public at any time. Notwithstanding any other law, in order to maximize competition, no part of a proposal other than the executive summary shall be subject to release or disclosure by ADOT before an award of the P3 contract and the conclusion of any protest or other challenge to the award, absent an administrative or judicial order requiring release or disclosure. After the award of the contract and the conclusion of any protest or other challenge to the award, Arizona's Public Records Law (A.R.S. Title 39) applies to any release of any part of the proposal.

6.5 Proposal Development Fee/Stipend

Pursuant to updated language in A.R.S. § 28-7705(I), ADOT shall award a stipulated fee equal to four-tenths of one percent of the project's estimated cost of design and construction to each shortlisted Proposer who provides a responsive, but unsuccessful proposal. If ADOT does not

award a contract, all responsive Proposers shall receive the stipulated fee. If ADOT cancels the contract before reviewing the Technical Proposals, ADOT shall award each proposer on the selected shortlist a stipulated fee equal to four-tenths of one percent of the project's estimated cost of design and construction. ADOT shall pay the stipulated fee to each Proposer within 90 days after the award of the contract or the decision not to award a contract. In consideration for paying the stipulated fee, ADOT may use any ideas or information contained in the Proposals in connection with any contract awarded for the project, or in connection with a subsequent procurement, without any obligation to pay any additional compensation to the unsuccessful Proposers. Notwithstanding the other provisions of this paragraph, an unsuccessful shortlisted Proposer may elect to waive the stipulated fee. If an unsuccessful shortlisted Proposer elects to waive the stipulated fee, ADOT may not use ideas and information contained in the Proposer's Proposal, except that this restriction does not prevent ADOT from using any idea or information if the idea or information is also included in a Proposal of a shortlisted Proposer that accepts the stipulated fee.

6.6 Rights Reserved

ADOT reserves all rights available by law and in equity in its procurement process, generally including, but not limited to, the sole right to:

- (a) Modify the procurement process at its sole discretion to address applicable law and/or the best interests of ADOT and the State of Arizona;
- (b) Develop the project in any manner that it, at its sole discretion, deems necessary;
- (c) Issue an RFQ relating to a project described in an Unsolicited Proposal after the rejection or termination of the evaluation of the Unsolicited Proposal and any Competing Proposals;
- (d) Modify all dates set or projected in the RFQ and RFP;
- (e) Reject any and all submittals, responses, SOQs, and Proposals, whether Internal or Unsolicited, at any time;
- (f) Terminate evaluation of any and all SOQs or Proposals, whether Internal or Unsolicited, at any time;
- (g) Suspend and/or terminate negotiations with any Proposer at any time, elect not to commence negotiations with any responding Proposer and engage in negotiations with other than the highest ranked Proposer;
- (h) Negotiate with a Proposer without being bound by any provision in the Proposal, whether Internal or Unsolicited;
- (i) Negotiate with a Proposer to include aspects of unsuccessful Proposals for the project in the Agreement;
- (j) Negotiate with a Proposer other than the Preferred Proposer if negotiations with them are unsuccessful or if a financial close with the Preferred Proposer does not occur;
- (k) Require confirmation of information furnished by a Proposer, additional information from a Proposer concerning its SOQ and/or Proposal, and/or additional evidence of qualifications to perform the work described in the RFQ and RFP, including holding

meetings and exchanging correspondence with the Proposers to seek an improved understanding of the SOQs and Proposals. If individual Proposer informational meetings are held, all Proposers submitting a responsive SOQ and Proposal will be afforded an opportunity to participate in an individual Proposer informational meeting;

- (l) Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to a RFQ, RFP or other ADOT requests;
- (m) Add or delete Proposer responsibilities from the information contained in the RFQ or RFP;
- (n) Revise and modify the evaluation factors or otherwise revise or expand the evaluation methodology for the SOQ at any time before the SOQ due date and for the Proposals at any time before the Proposal due date. If such revisions or modifications are made, ADOT will post an Addendum setting forth the changes to the evaluation criteria or methodology;
- (o) Cancel an RFQ or RFP in whole or in part at any time prior to the execution of an Agreement without incurring any cost obligations or liabilities;
- (p) Issue a new RFQ and/or RFP after withdrawal of original RFQ and/or RFP;
- (q) Not shortlist or prequalify any Proposer responding to an RFQ;
- (r) Not issue an RFP;
- (s) Issue Addenda, Supplements, and Modifications to an RFQ and/or RFP;
- (t) Appoint Evaluation Committees to review SOQs and Proposals, make recommendations and seek the assistance of outside technical, financial and legal experts and consultants in SOQ and Proposal evaluation;
- (u) Waive immaterial deficiencies in a Proposal or SOQ, accept and review a nonconforming Proposal or SOQ or permit clarifications or supplements to a Proposal or SOQ;
- (v) Disqualify any Proposer that changes its submittal without ADOT approval;
- (w) Disqualify any Proposer under an RFQ, RFP, or during the period between the RFQ or RFP for violating any rules or requirements of the procurement set forth in the RFQ, the RFP, or in any other communication from ADOT;
- (x) Not issue a Notice to Proceed (NTP) after execution of the Agreement;
- (y) Not pursue TIFIA credit approval on behalf of the Proposers;
- (z) Not seek an allocation for Private Activity Bonds (PABs) on behalf of the Proposers;
- (aa) Develop some or all of a project itself;
- (bb) Disclose information contained in a response submitted to ADOT as governed by the law and/or the Solicitation Documents;
- (cc) Exercise any other rights reserved or afforded to ADOT under a procurement document, applicable law, or in equity;
- (dd) Disqualify any proposer for any conflict of interest, including use of any key former ADOT employee hired within 12 months of a solicitation in the pursuit of an Agreement.

Specific reservations of rights will be included in the Solicitation Documents for a project. Except as set forth in the Solicitation Documents, should the procurement process or negotiations be suspended, discontinued, or terminated, the Proposer shall have no rights of recourse, including reimbursement of Proposal Review Fee(s) or costs associated, directly or indirectly, with the Proposal development or presentations.

6.7 Ex-Parte Communications

The Proposer or its representative must not have any ex-parte communications during review of an Unsolicited Proposal or the procurement for a proposed project with any member of the State Transportation Board or with any of ADOT's staff, advisors, contractors or consultants involved with the procurement or review, except for communications expressly permitted, in these Guidelines, by the RFQ, RFP, or except as approved in advance by the Director of the Office or his/her designee, in such individual's sole discretion. The foregoing restriction will not, however, preclude or restrict the Proposer from communications with regard to matters unrelated to the RFQ, RFP, or from participation in public meetings. Any Proposer engaging in prohibited communications may be disqualified in the sole discretion of ADOT. Additional requirements and limitations on communications may be included in the Solicitation Documents for a project. ADOT will provide a list in the Solicitation Documents of agencies, organizations, stakeholders, consultants and contractors with whom Proposers must not communicate.

6.8 Disclaimers and Conditions for Proposals

Unless otherwise stated in the Solicitation Documents, under no circumstance shall ADOT, the State of Arizona, or any department or agency thereof be liable for or reimburse the costs incurred by the Proposers whether or not they are selected, or if the procurement process is delayed, altered, or terminated.

Except as expressly provided in the Solicitation Documents, any and all information ADOT makes available to Proposers will be as a convenience to the Proposer without representation or warranty of any kind.

7. P3 PROPOSAL EVALUATION

P3 Proposals submitted to ADOT will be evaluated based on many factors, including, but not limited to, the structure of the Proposer team; the background and experience of the Proposer; individual team members; key personnel experience on P3 projects; designing, constructing, financing, operating, and/or maintaining comparable projects; and the quality of the experience with comparable projects. The specific nature of experience, key personnel, and background required will depend on the specific project as well as the project delivery mechanism proposed.

While the P3 law does not require the use of any statutorily imposed formula in evaluating the proposals, the Proposer will be assessed on the approach to the development, design, construction, financing, operations, and/or maintenance of the proposed project including relative roles and responsibilities between ADOT and the Proposer, innovation, and risk sharing.

The overall capability of the Proposer may be assessed to determine whether the Proposer has sufficient financial capacity to assume the responsibilities and obligations required to deliver the project on schedule and on budget.

7.1 General RFQ Evaluation

Below is an example of the general criteria for evaluation in an ADOT P3 RFQ. Criteria will vary depending on the actual project and will be clearly specified in the Solicitation Documents.

Table 2 General Technical and Financial Criteria for a P3 RFQ

<u>TECHNICAL EVALUATION CRITERIA</u>		<u>EVALUATION PARAMETERS</u>
	<i>Organizational Capacity</i>	Project Team organization
		Key team members and their qualifications
		Key subcontractors and their qualifications
		Staff/resource capacity and availability
		Specialized capabilities relevant to the project (i.e., in design, construction, operations, and/or maintenance)
		Quality assurance organization and approach
		Approach and understanding of the project
	<i>Past Technical Performance</i>	Experience with P3 projects
		Experience with similar types of projects
		Specialized expertise in risk mitigation and management on other P3 Projects and/or on other projects of comparable complexity
		Safety record
		Quality performance
		Experience working with ADOT and/or local subcontractors
		References* / Owner References
	<i>Project Specific</i>	Technical approach
		Understanding of the project and local context

<u>FINANCIAL EVALUATION CRITERIA</u>		<u>EVALUATION PARAMETERS</u>
	<i>Financial Capacity</i>	Financial capacity of the Proposers (ability to raise equity)
		Bonding record or proof of bonding capability
		Legal and financial disclosures
	<i>Past Financial Performance</i>	Past performance on awarded contract completion, liquidated damages*, quality, claims, fines, and schedule
		History of performance (unsubstantiated claims, fines, suits, quality, accuracy, and schedule)
	<i>Project Specific</i>	Financial approach

*Liquidated damages assigned to joint ventures carry through and should be noted in reference checks.

Proposers may, at ADOT’s discretion, be required to submit, as part of their SOQ, a description of their approach and conceptual plan for implementing some, or all, of the development, design, construction, financing, operations, and/or maintenance of the project for which the SOQ is submitted. Such required information may include a commitment of resources and the use of subcontractors and suppliers. The RFQ may also require that the SOQ include, among other things, the following:

- (a) The Proposer’s view of the roles and responsibilities of the owner, key personnel, and third parties in connection with the project (in terms of allocation of work or risk and implementation/delivery)
- (b) A description of how certain elements of the project will be achieved
- (c) A list of the major risk issues and factors associated with the project
- (d) A description of the availability of Proposer resources for the project

In a two-phase procurement, upon making a positive determination of prequalified or shortlisted Proposers for a particular project, ADOT will issue an RFP, which in most cases will require the Proposers to provide a Proposal containing at least two basic components, a technical proposal and a financial proposal. ADOT may also issue an RFP without first issuing an RFQ. If the project delivery model involves a PDA, then components of the technical and/or financial proposals as well as additional components may be required as discussed in Section 8.4. Specific Solicitation Documents may require Proposers to submit information different from or in addition to the general information referenced in these Guidelines.

7.2 General RFP Evaluation

Technical Proposal Evaluation - ADOT may require the Proposer to provide technical information regarding the project’s Technical Requirements as ADOT deems appropriate. Such required information may include, without limitation, design elements; approaches for design, construction, operations, maintenance, and/or quality control and assurance; schedule; phasing;

and other information as appropriate for the project's development. The intent of the technical proposal evaluation is to provide assurance that the Private Partner selected has:

- (a) A sufficient understanding of the project or desired service
- (b) An approach that meets technical and contractual requirements
- (c) The ability to timely and efficiently deliver the project or service in a quality manner consistent with contractual requirements

ADOT may choose to include a process for Alternative Technical Concepts (ATCs) as part of the RFP process. If ATCs are utilized, the details for how they will be submitted, reviewed, and approved will be included in the RFP.

Financial Proposal Evaluation - The type and extent of financial documentation to be submitted and evaluated as part of the financial proposal will depend on the delivery mechanism. The RFP may require that the Proposer update the financial information provided from the SOQ (if applicable) and will require disclosure of any material changes in the Proposer's financial position.

If the RFP and project scope require the Proposer to finance any or all of the project, the RFP will generally require the financial proposal to include a financial plan and a financial model. The nature of the project, project delivery method, and market conditions at the time of the proposal will dictate:

- (a) The contents and level of detail of the financial plan;
- (b) Whether the financial proposal is fully or partially committed; and
- (c) The permitted commitment and closing conditions that may be included by the Proposer.

Requirements for a financial plan may require the Proposer to:

- (a) Identify the financial institution(s) involved;
- (b) Provide a description of senior debt finance, mezzanine debt finance, equity and quasi-equity finance (including subordinated debt or loan stock), any other forms of finance;
- (c) Identify investors, lead arrangers, lead managers and/or underwriting banks, and/or quasi-equity providers that have given indications or commitments; and identify their level of project knowledge and due diligence performed;
- (d) Describe the type and purpose of each funding source and facility;
- (e) Describe the proposed steps and timeframes for reaching financial close; and
- (f) Provide specific information for each separate bank, loan facility, or other debt instruments, such as commitments, amounts, terms and conditions attaching to the loan, drawdown schedule, capital repayment moratorium, repayment schedule and final maturity date, events of default, security required (including any guarantees), any reserve accounts, interest rate, any proposed hedging arrangements in respect of interest rates, average life of debt, credit ratings, due diligence, and timetables.

Generally, requirements for a financial model submittal will include inputs (specific dates, periods, revenues, expenditures, contingencies and profit margins, macroeconomic assumptions, and inflation), outputs (cash balances, returns on equity, cost of capital, net present value of construction costs, and reserves), and calculations. Proposers will be required to provide detailed backup information, a list of assumptions, and details of how the financial model operates.

Proposers may be asked to demonstrate an understanding of ADOT's traditional debt finance approach and any potential interactions between a project financed by the Proposer and ADOT's existing budget and debt obligations.

The RFP will provide details regarding applicable requirements for the financial plan and financial model portions of the financial proposal. ADOT may choose to include a process for Alternative Financial Concepts (AFCs) as part of the RFP process. If AFCs are utilized, the details for how they will be submitted, reviewed, and approved will be included in the RFP.

8. P3 PROJECT AWARD AND IMPLEMENTATION

Upon approval of a selection panel of Preferred Proposer(s), all proposers will be contacted within three business days by the Procurement Administrator.

ADOT is not required to attach the final contract to either an RFQ or RFP, allowing for more flexibility to modify the contract during the procurement process up to the time of final award.

The Office will negotiate as needed and finalize whatever Agreement is needed. Subsequently, ADOT may submit the Agreement to the AG's Office to investigate and determine the validity of the agreement. If the Attorney General determines that the Agreement complies with the law and will constitute a binding and legal obligation of ADOT that is enforceable according to the terms of the Agreement, the Attorney General shall certify in substance that the Agreement has been entered into in accordance with the Constitution and laws of this State. ADOT will then send the Agreement to the Preferred Proposer for signature. ADOT is the last signatory to the Agreement.

Once the Preferred Proposer signs the Agreement, any performance and/or payment bond forms required must be obtained by ADOT prior to release of an NTP.

Concurrent to getting the Agreement signed, the Procurement Administrator will work directly with ADOT Procurement to ensure the Contract is properly filed and obtain a Contract number for which the appropriate ADOT Division can request a Purchase Order to pay against.

The ADOT Division where the new project resides may coordinate all applicable development, design, construction, and/or maintenance services and will act as the principal contact for questions. Office consultant(s) will be available to assist that ADOT Division as it works to implement the Agreement.

8.1 Debriefing Meetings

Proposers not selected may request a debriefing from the Procurement Administrator, regardless of whether or not any debriefing language is included in the Solicitation Documents. If requested, debriefings will be provided at the earliest possible time after notification of the selected Proposer. The debriefing will include ADOT staff and stakeholders familiar with the rationale for the shortlist or final selection decision.

Debriefings will:

- (a) Be limited to discussion of the unsuccessful Proposer's submission and may not include specific discussion of a competing submission;
- (b) Be factual and consistent with the evaluation of the unsuccessful Proposer's submission; and
- (c) Provide information on areas in which the unsuccessful Proposer's submission had weaknesses or deficiencies.
- (d) Debriefings will not include discussion or dissemination of the thoughts, notes, or rankings of individual evaluators or their identities. A debriefing must not be viewed as a method to obtain evidence about competing proposals or Proposers.

8.2 Protests

Below describes the general protocols surrounding protests. The timeline for the protest will be outlined in the procurement documents. A protest can only be filed and considered valid if it is based on evidence that:

- (a) Confidentiality during the procurement process was breached, and/or
- (b) A competitor received inside information unavailable to the protesting party.

A protest must completely and succinctly state the grounds for protest, legal authority, and factual basis, and must include all factual and legal documentation in sufficient detail to establish the merits of the protest. Statements must be sworn and submitted under penalty of perjury. The following conditions are applicable for protest:

- (a) Allegations that the terms of the Solicitation Documents are contrary to legal requirements applicable to the procurement, or exceed ADOT's authority;
- (b) A determination as to whether an SOQ/submittal or proposal is responsive to the requirements of the RFQ or as to whether an SOQ/submittal or proposal passes the pass/fail criteria set forth in this RFQ; and
- (c) Shortlisting determinations, if applicable

Response to a protest will not include discussion or dissemination of the thoughts, notes, or rankings of individual evaluators or their identities. A protest must not be viewed as a method to obtain evidence about competing proposals or Proposers.

Filing of Protest

Protests must be filed by hand delivery, as soon as the basis for protest is known to the Proposer or before the applicable deadline, to:

Arizona Department of Transportation
206 South 17th Avenue, MD 139A
Phoenix, AZ 85007
Attention: Senior Deputy State Engineer

ADOT's Senior Deputy State Engineer or designee (who has not been involved in SOQ/proposal evaluation) will issue a written decision regarding the protest within 30 calendar days after the filing of the detailed statement of protest. If necessary to address the issues raised in a protest, ADOT may, in its sole discretion, make appropriate revisions to the appropriate Solicitation Document(s) by issuing an Addendum.

Unless otherwise specified in the Solicitation Documents, the written decision of ADOT's Deputy Director of Transportation/State Engineer will be administratively final.

8.3 Contracting

When the Agreement has been executed and an NTP issued to the Private Partner, the ADOT Division or District responsible for the project will take over administration of the Agreement. This includes establishing any internal Purchase Orders that may be needed and finalizing any bond and/or insurance requirements of the newly selected Private Partner. The Office can provide support as needed but will not generally administer the Agreement or monitor the day-to-day operation.

A representative of the Office will attend periodic project status meetings with the Private Partner. ADOT will actively participate in final inspection and issuance of substantial and final completion of capital works and acceptance of the project at handback.

8.3.1 Agreement Approaches

Because of the unique nature of every project and the potential for a variety of P3 approaches and project delivery methods, it is anticipated that final Agreements may differ significantly. For instance, the initial Agreement for a PDA will be very different than a long-term Concession. The Agreement itself will define the rights and obligations of the parties with regard to the project. ADOT will consider such policy, legal, financial, and technical advice as it deems necessary or appropriate to successfully develop, structure, and negotiate the Agreement. ADOT also may seek the advice and involvement of affected state, regional, or local public entities during the negotiation process.

The Agreement may include, but not be limited to, the following:

- (a) The right of the Private Partner to plan, develop, design, construct, finance, operate, and maintain, or any combination of the foregoing, the project; the date of termination of the Private Partner's authority; duties and rights with respect to the project; and the

handback and other conditions under which the project will be returned to the responsible public entity;

- (b) The mechanism by which User Fees, if any, may be established and adjusted. Any User Fees will be set at a level that takes into account the nature of the project, any outstanding debt payments, capital costs (e.g., design, construction, rehabilitation, expansion), operation and maintenance costs, a return to the Private Partner and upfront, periodic, or revenue sharing payments, if any, to ADOT. A schedule of the initial User Fees may be included in the Agreement along with an adjustment methodology and be made available by the Private Partner to any member of the public on request. If the project is a managed lanes/express lanes project, methodology for variable, congestion, and/or dynamic pricing will be addressed;
- (c) The performance milestones that will be required of the Private Partner along with any security related to the development, design, construction, finance, operation, or maintenance of the project;
- (d) Responsibilities for the acquisition of necessary environmental approvals (if not then obtained) and other required permits and approvals for the project, including, but not limited to, railroad, waterway, and utility crossings;
- (e) The manner, if any, in which the Private Partner and ADOT will work together to establish interconnections and interoperability between the project and other public transportation facilities;
- (f) Responsibilities for the acquisition of right-of-way, including the procedures by and conditions under which ADOT will exercise its power of eminent domain to facilitate any right-of-way acquisitions necessary to construct the project;
- (g) The design, construction, operation, and maintenance with which the Private Partner must comply. At the end of the Agreement's term with a Private Partner, the project will be required to be returned to ADOT at the level of technical standards and conditions specified in the Agreement's Handback Provisions. After handback, ADOT may evaluate whether to extend existing agreement, procure a new Agreement, or operate and maintain the project itself.
- (h) The requirements of the Private Partner to submit plans for the project scope of work, which may include development, design, construction, operation, and maintenance of the project, that conform to standards set forth in the Agreement, and the rights of ADOT and other parties to review, comment, and/or approve the same;
- (i) The requirements of the Private Partner to submit any design and construction submittals and the rights of ADOT and other parties to review, comment and/or approve the same;
- (j) The role, if any, of an Independent Engineer;
- (k) The rights of ADOT and any designated representative or an Independent Engineer, if any, to inspect, audit, and oversee the Private Partner's performance of the Agreement;
- (l) The right of the Private Partner to make and enforce reasonable rules with respect to the project during any operations and maintenance phase;

- (m) The terms, if any, under which the Private Partner will reimburse ADOT for services provided;
- (n) The terms under which compensation would be paid to the Private Partner in the event of termination of the Agreement (including for convenience, excused failure to close financing, Private Partner default, ADOT default, or other specified termination event);
- (o) The terms for compensation to ADOT, such as revenue sharing and provisions that may apply to refinancing activities, if applicable;
- (p) The terms and conditions of financing for the project, including any terms or conditions under which ADOT will contribute financial or other resources to the project;
- (q) If applicable, the terms, conditions, and performance measures that apply to the payments to the Private Partner;
- (r) The events that will constitute default by the parties, notice and cure rights (including lenders' rights), and remedies available to the parties in the event of default;
- (s) Lender's rights and remedies with respect to Private Partner defaults and ADOT remedies, if appropriate and applicable;
- (t) The events that will constitute force majeure, or may result in time extensions or additional compensation, and the remedies the parties will have in the event of occurrence;
- (u) The insurance and bonding/letter of credit and reserve requirements the Private Partner will be required to meet at each stage of development, financing, design, construction, operation, maintenance, and handback of the project;
- (v) The allocation between the Private Partner and ADOT of responsibilities and liabilities for, among others, property damage, personal injury, repair, site conditions, utility relocations, right-of-way acquisition, and hazardous waste remediation;
- (w) The obligations of the Private Partner to maintain records, to allow inspection and audit, and to provide reports to ADOT;
- (x) The obligations of the Private Partner to file appropriate financial statements in form and frequency set forth in the Agreement;
- (y) The conditions under which the Private Partner or ADOT may make distributions or assign its rights and obligations under the Agreement and/or its rights to the project or the Agreement;
- (z) The roles and responsibilities of ADOT and the Private Partner with respect to coordinating with external stakeholders and obtaining third party approvals;
- (aa) The roles and responsibilities of ADOT and the Private Partner with respect to conducting public involvement activities;
- (bb) Any other terms and conditions appropriate for the project.

8.4 Pre-Development Agreements

A project that is developed as a PDA will have an initial developmental phase that could lead to a determination of feasibility and ultimately to a final scope, price, and financing plan. Under a PDA, additional concepts or provisions may apply and be included in the Contract, such as:

- (a) An initial scope of work to assist ADOT with advancing and defining a feasible project that can be ultimately priced and financing secured. The scope of work may include a variety of activities, some examples of which include project planning and development; advance right-of-way acquisition; design and engineering; environmental review; cost and revenue estimates; conducting traffic or ridership modeling and transportation and revenue studies; and ascertaining the terms and conditions under which financing may be obtained for the proposed facility or facilities
- (b) Relative responsibilities between ADOT and Proposer during the PDA phase
- (c) The payment structure and terms and conditions under which the Private Partner will be compensated for undertaking the PDA scope of work, including whether such work will be contributed at a discount or as “sweat equity”
- (d) Schedule and milestones applicable to the PDA scope activities
- (e) Terms and conditions for right of first negotiation, or similar right, in favor of the Private Partner with respect to the design, construction, financing, operation, and maintenance, or any combination of the foregoing, when the project is ready to be priced, financed, and delivered, including how price reasonableness and value for money will be determined
- (f) The process that applies if ADOT and the Private Partner are unable to agree upon any terms of an Agreement under which the Private Partner will design, construct, finance, operate, and/or maintain the project, including the rights of ADOT to procure another entity to do the same and any compensation that may be payable to the Private Partner
- (g) Other elements necessary for completion of the PDA process

8.5 Liability for Private Obligations

ADOT, the State of Arizona, or a political subdivision of the State are not liable for any financial or other obligation of a project or service provided by a Private Partner except as explicitly agreed by ADOT, the State, or political subdivision in an Agreement or allowed by statute. The credit of ADOT and the State will not be pledged by a Private Partner financing a project under the P3 Program provided, however, that the foregoing is not intended to restrict or limit the ability of ADOT, the State, or any other entity to act as a conduit issuer of Private Activity Bonds (PABs) or initiate the TIFIA (or similar program) credit facility process with any federal agency.

8.6 Right-of-Way Interests

No project under the P3 Program will be “sold” to a Private Partner, but leasehold, easement, operating, license, right-of-entry permit, or similar rights may be provided to a Private Partner. The State, through ADOT, will retain ownership of all projects and project right-of-way, unless ADOT elects or is required to leave fee title to all or portions of the underlying project with a third party. Upon completion of construction and acceptance, all projects consisting of highways will be considered part of the State’s highway system.

APPENDIX A — ACRONYMS AND DEFINITIONS

Common acronyms are:

ADOT - Arizona Department of Transportation	NEPA - National Environmental Policy Act
ARS - Arizona Revised Statutes	NOI - Notice of Intent
BAFO - Best and Final Offer	NTP - Notice to Proceed
C&S - Contracts and Specification	OJT - On-the-Job Training
COG - Council of Governments	PDA - Pre-Development Agreement
DBF - Design-Build-Finance Agreement	P3 - Public-Private Partnership
DBE - Disadvantaged Business Enterprise	RFI - Request for Information
DBM - Design-Build-Maintain Agreement	RFP - Request for Proposals
DBFO - Design-Build-Finance-Operate Agreement	RFQ - Request for Qualifications
DBOM - Design-Build-Operate-Maintain Agreement	SEO - State Engineer's Office
DBFOM - Design-Build-Finance-Operate-Maintain Agreement	SOQ - Statement of Qualifications
ECS - Engineering Consultants Section	STIP - Statewide Transportation Improvement Program
FHWA - Federal Highway Administration	SOW - Scope of Work or Statement of Work
MAG - Maricopa Association of Governments	TIFIA - Transportation Infrastructure Finance and Innovation Act
MPO - Metropolitan Planning Organization	VfM - Value for Money

These general definitions are provided to aid in the reading and comprehension of this guide and may be modified in the Solicitation Documents or Agreements.

Alternative Financial Concepts (AFC)

AFCs are a mechanism to allow the private sector to submit alternatives that are equal or better than the stated financing requirements in the Solicitation Documents as a method of obtaining innovation from the private sector.

Alternative Technical Concepts (ATC)

ATCs are a mechanism to allow the private sector to submit alternatives that are equal or better than the stated Technical Requirements in the Solicitation Documents as a method of obtaining innovation from the private sector.

Availability Payment

A periodic payment made to a concessionaire, a portion of which constitutes compensation for capital costs. Availability payments are subject to adjustment based on a payment scheme set forth in the concession agreement, including downward adjustments if the concessionaire fails to meet performance requirements under the agreement. Typically beginning at the completion of a project, an availability payment structure is generally seen to protect the interests of the public by giving the concessionaire a financial incentive to maintain the facility in satisfactory condition and operating at a specified level of performance.

Best and Final Offer (BAFO)

Is generally a bid containing final pricing and deliverables submitted by bidding contractors based on the outcome of the negotiations conducted during the initial bid process. In Design-Bid-Build contracts, the contract is awarded to the lowest responsible bidder with no procedure for negotiations after the proposals are submitted. Under the P3 statutes, however, ADOT can ask for final and best offers and can negotiate with one or more of the proposers after bid evaluations.

Business Case

A document defining the proposed project with cost estimates and risk assessments summarized as a justification for undertaking a proposed project on the basis of its expected benefit to the public.

Concession

Any lease, ground lease, franchise, operating agreement, easement, permit, or other binding agreement transferring rights for the use or control, in whole or in part, of an Eligible Facility by ADOT or other unit of government to a Private Partner.

Contract

A binding document between ADOT and a Private Partner that outlines the basis on which to develop, design, construct, finance, operate, and maintain (or any combination of these activities) an Eligible Facility (also referred to as a P3 Agreement).

Cost Benefit Analysis

Cost-benefit analysis is an exercise for judging the net benefit or cost of a project or policy. It is a systematic process that is used to analyze which projects to prioritize or engage in or not, by summing up the potential rewards expected from the project and subtracting the total costs associated with the project. Many different elements of a program's technical baseline and cost estimate are involved. This includes technology maturity, supply chain integrity, quantities, schedules, and acquisition considerations.

Cost Risk Assessment

Risk Assessment is a complex and important aspect of a Cost Benefit Analysis that focuses on building risk models and simulations that enable the user to assign numerical values to risk. The most common quantitative risk analysis would be a Monte Carlo simulation model. This

method runs a number of variables through a mathematical model to discover the different possible outcomes.

Council of Governments (COGs)

See Metropolitan Planning Organization

Design-Build-Finance Agreement (DBF)

An agreement that provides for the financing, design, and construction of an Eligible Facility by a Private Partner.

Design-Build-Finance-Operate Agreement (DBFO)

An agreement that provides for the financing, design, and construction of an Eligible Facility by a Private Partner and the operation of all or a portion of the Eligible Facility by the Private Partner for a specified time period.

Design-Build-Finance-Operate-Maintain Agreement (DBFOM)

An agreement that provides for the financing, design, and construction of an Eligible Facility by a Private Partner and the operation and maintenance of all or a portion of the Eligible Facility for a specified time period.

Design-Build-Maintain Agreement (DBM)

An agreement that provides for the design and construction of an Eligible Facility by a Private Partner and the maintenance of all or a portion of the Eligible Facility for a specified time period.

Design-Build-Operate-Maintain Agreement (DBOM)

An agreement that provides for the design and construction of an Eligible Facility by a Private Partner and the operation and maintenance of all or a portion of the Eligible Facility for a specified time period.

Detailed Evaluation

A Detailed Evaluation is a critical step in the assessment of Unsolicited Proposals. This evaluation will be more comprehensive than the Initial Evaluation and will examine technical, financial, and legal elements of the Proposal in greater detail. This evaluation will also assess whether the Proposer has clearly demonstrated creativity, innovation, and that moving a proposed project forward as a P3 project is advantageous as compared to other delivery methods.

Eligible Facility

Any facility developed or operated in accordance with A.R.S. § Title 28. This may include any enhanced, upgraded, or new facility used or useful for the safe transport of people or goods via one or more modes of transport, whether involving highways, railways, monorails, transit, bus systems, guided rapid transit, fixed guideways, ferries, boats, vessels, intermodal or multimodal systems, or any other mode of transport, as well as facilities, structures, parking, rail yards, storage facilities, vehicles, rolling stock, or other related equipment, items, or property.

Evaluation Committee

A committee consisting of ADOT personnel, assisted as appropriate by ADOT staff, outside consultants, and other professionals as identified, that evaluates Statements of Qualifications (SOQs) and Proposals against criteria established in the Solicitation Documents.

Handback Provisions

The terms, conditions, requirements, and procedures governing the condition in which a Private Partner is to deliver an Eligible Facility to ADOT upon expiration or earlier termination of the P3 Agreement, as set forth in the P3 Agreement.

Independent Engineer

Also known as the Lender's Engineer, this is the third party representative of an owner or Lender/financier. An Independent Engineer offers their clients a non-biased assessment on the technical, contractual, and/or financial aspects of capital projects. The role of the Independent Engineer is to provide an independent technical assessment of a project or technical due diligence. The qualifications of an Independent Engineer are unusual in that in addition to understanding the engineering aspects of a project, the Independent Engineer must also be well versed in the business aspects of project financing.

Industry Meeting

A meeting held in order to inform the industry about the Office or a specific opportunity and/or to obtain industry feedback. These may be informal One-on-One Meetings or general open meetings.

Initial Evaluation

An assessment conducted concurrently with the Pass/Fail Review in which the Office seeks to find information within the Unsolicited Proposal sufficient for ADOT to evaluate the merits of the proposed project, the financial viability of the project, the benefits to the State of the proposed project, and of delivering said project using a P3 delivery method over a conventional method.

Internal Proposal

Any procurement initiated internally and issued by ADOT as a result of it determining that a project may best be developed as a P3.

Letter of Interest (LOI)

The submittal by an entity interested in pursuing a potential P3 project in response to a Request for Information (RFI) issued by ADOT. The LOI usually includes general qualifications of the submitter and answers to specific questions in the RFI.

Metropolitan Planning Organizations / Council of Governments (MPOs or COGs)

An MPO is a federally mandated and federally funded transportation policy-making organization in the United States that is made up of representatives from local government and governmental transportation authorities to carry out the metropolitan transportation planning process. Federal legislation establishes that the metropolitan planning process for a metropolitan planning area

provides consideration of projects and strategies that will support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity and efficiency. COGs are regional, typically rural, governing and/or coordinating bodies that exist throughout the United States and are normally controlled by their member local governments. A COG serves the local governments and the residents of the region by dealing with issues and needs that cross city, town, county and even state boundaries. Tools used to address these issues may include communication, planning, policymaking, coordination, advocacy and technical assistance.

National Environmental Policy Act (NEPA)

The National Environmental Policy Act (NEPA) was signed into law on January 1, 1970. NEPA requires federal agencies to assess the environmental effects of their proposed actions prior to making decisions. The range of actions covered by NEPA is broad and includes:

- making decisions on permit applications,
- adopting federal land management actions, and
- constructing highways and other publicly-owned facilities.

Using the NEPA process, agencies evaluate the environmental and related social and economic effects of their proposed actions. Agencies also provide opportunities for public review and comment on those evaluations.

Notice to Proceed (NTP)

A written authorization from ADOT to the Private Partner to start work on a contract or any unit or element of the contract to be performed as specified in the contract after the contract has been signed.

One-on-One Meetings

Meetings between ADOT staff and representatives from one team interested in, or pursuing, a P3 project. The purpose of the meetings at the initial stage is to obtain candid industry input on the credibility of the project as a P3 and parameters that should be used to define the project. This input is used to define a project for the feasibility analysis. One-on-One Meetings are also held later in the procurement process with the shortlisted teams to discuss specifics of the draft RFP, P3 Agreement, performance criteria, and Technical Requirements.

P3 Agreement

A binding document (or series of documents) between ADOT and a Private Partner that outlines the basis on which to plan, finance, design, construct, operate, and maintain (or any combination of these activities) an Eligible Facility (also referred to as a Contract).

P3 Program

The activities of the Office encompassing overall program oversight and administration, budgeting, identification, and procurement of P3 projects, pursuant to Chapter 22 of A.R.S. Title 28; and the evaluation and selection of Private Partners. Depending on the project, and working

alongside Major Projects, these activities may also include National Environmental Policy Act (NEPA) and construction oversight.

Pass/Fail Review

A review of an Unsolicited Proposal by the Office to determine if the document meets the submittal requirements.

Pre-Development Agreement (PDA)

An Agreement between ADOT and a Private Partner (also known as a Comprehensive Development Agreement) to provide development services for a project that is in a very early development stage and is not yet ready for a firm price. These services may include concept refinement, scope definition, conceptual financial plans, etc. necessary to advance a project to the stage at which project technical and financial feasibility can be determined and, if feasible, a firm price and/or financial arrangements can be negotiated and a subsequent Agreement executed. The P3 Private Partner for a PDA is selected on a conceptual proposal basis.

Preferred Proposer

The team that submitted the proposal selected by the Evaluation Committee as offering the best value to ADOT. When the selection is approved and the P3 Agreement executed, this team is then called the “Private Partner,” “Concessionaire,” “Developer,” or “Contractor.”

Private Activity Bond (PAB)

PABs are tax-exempt bonds issued by or on behalf of a local or state government for the purpose of providing special financing benefits for qualified projects. The financing is most often for projects of a private user, and the government generally does not pledge its credit.

Private Partner

A person, entity, or organization that is not the federal government, the State of Arizona, a political subdivision of the State of Arizona, or a unit of government that enters into a P3 Agreement with ADOT.

Proposal

A submission by a potential Private Partner pursuant to an RFP or on an unsolicited basis for a P3 project.

Proposal Review Fee

Fee paid by an outside entity submitting an Unsolicited Proposal to ADOT in order to cover a small portion of ADOT’s cost for a Detailed Evaluation. It is also meant to ensure that ADOT only receives a proposal from an entity that is committed to the project coming to fruition. This non-refundable fee is paid only when the Initial Evaluation shows the project has ended and further evaluation, in the form of a Detailed Evaluation, is required in order to determine if the Unsolicited Proposal has any merit.

Proposer

A potential Private Partner that submits a Proposal to develop a P3 project.

Proposer Review Meeting

A meeting held jointly or individually to share ADOT information regarding an RFP with shortlisted Proposers and obtain feedback, comments, and suggestions from such Proposers.

Public-Private Partnership (P3)

An agreement formed between ADOT and a Private Entity pursuant to A.R.S. Title 28 that allows for greater private sector participation in the delivery and financing of an Eligible Facility rather than by traditional delivery method.

Request for Information (RFI)

A request issued by ADOT to the appropriate industry(ies) to solicit the level of interest related to any aspect of P3 development.

Request for Proposals (RFP)

A Solicitation Document from ADOT requesting a proposal to develop, design, build, finance, operate, and/or maintain an Eligible Facility.

Request for Qualifications (RFQ)

A Solicitation Document from ADOT requesting an SOQ that demonstrates a Private Partner's ability to develop, design, build, finance, operate, and/or maintain an Eligible Facility.

Solicitation Documents

Procurement documents initiated by ADOT to request qualifications and/or proposals to develop a P3 project.

Statement of Qualifications (SOQ)

A response to an RFQ by a Private Partner that demonstrates its capabilities and capacity to develop, design, build, finance, operate, and/or maintain a project described in the RFQ.

Statewide Transportation Improvement Program (STIP)

The STIP is a staged, multi-year, statewide intermodal program of transportation projects, consistent with the statewide transportation plan and planning processes as well as metropolitan plans, transportation improvement programs (TIPs), and planning processes. The STIP must be developed in cooperation with the metropolitan planning organizations and Council of Governments (MPOs and COGs), public transit providers, and any other transportation planning organizations in the state.

Technical Requirements

Also referred to as Technical Provisions, a part of the Solicitation Documents that describes the scope of work and related standards, criteria requirements, conditions, procedures, specifications, and other provisions for a P3 project.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many large-scale, surface transportation projects—highway, transit, railroad, intermodal freight, and port access—are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. TIFIA was designed to fill market gaps and leverage private co-investment through supplemental, subordinate investment in critical improvements to the nation's transportation system. This is why TIFIA credit assistance is often available on more advantageous terms than in the financial market, making it possible to obtain financing for needed projects when that financing might not otherwise be available.

Unsolicited Proposal

Any submittal by a potential Private Partner that conforms to the statutory authority, any Rules, and these Guidelines with respect to a project that has not been initiated by ADOT.

User Fee

A fee charged for use of an Eligible Facility, usually a toll for a highway or fare for rail or bus travel.

Value for Money Analysis (VfM)

VfM analysis involves comparing the value for money in various P3 delivery models with a “Public Sector Comparator” — that is, a model of the project if implemented through traditional public procurement. In this way it provides a comparison of the net present value of the total life-cycle costs of the project with various delivery methods and considers both quantitative and qualitative costs and benefits and the proposed risk transfers under a proposed P3 Agreement.

EXHIBIT A – P3 PROCUREMENT FLOWCHART

