



**Oregon Department of Transportation**



# Oregon Innovative Partnerships Program

***Local Consultation for  
Newberg-Dundee Transportation Improvement  
Project Proposals  
September 16, 2005***

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Alternative Funding**





## Innovations in Procurement for Oregon Transportation Projects

1. Review of the Oregon Innovative Partnerships Program (OIPP)
  - Current OIPP Procurement for Three Highway Projects



## Oregon Innovative Partnerships Program – A New Transportation Procurement Method

- Develop Partnerships with Private Entities and Units of Government;
- Expedite Transportation Project Delivery;
- Maximize Transportation Project Innovation. (ORS 367.804(1))
- Leverage Public Funding with Private Sources of Capital  
(Legislative History of SB 772 (2003))



## Oregon Innovative Partnerships Program allows ODOT to Solicit Proposals or Accept Unsolicited Proposals (ORS 367.804)

- **From Private Firms** (“Any ... legal entity or natural person ...”) (ORS 367.802(2))
- **From Units of Government** (“... any department or agency ... federal, ... state, ... city, county, district, commission, authority, entity, port or other public corporation ... and any intergovernmental entity ...”). (ORS 367.802(2))
- **OIPP procurements outside processes of Oregon government procurement law of ORS Chapter 279** (ORS 367.806(5))
  - Projects Selected by Best Value instead of Lowest Bid
  - Allows Entry of Private Partners at Conceptual Stages of Project



## OIPP Agreements

Under OIPP authority, ODOT may enter into agreements - if approved by Oregon Transportation Commission - relating to transportation projects, the subject of which may include, but need not be limited to:

Planning

Development

Reconstruction

Maintenance

Leasing

Acquisition

Design

Replacement

Management

Operation

Financing

Construction

Improvement

Repair

Any Financing Mechanism (franchise & user fees)

(ORS 367.806)



## OIPP Public Records Disclosure Exemptions

- **Submitted Proposals** ... until selection for negotiation or sharing with local governments, MPOs and Area Commissions on Transportation or evaluation complete (ORS 367.804(6))
- **Sensitive Business, Commercial or Financial Information** not customarily provided to business competitors ... until submitted to Oregon Transportation Commission (OTC) in connection with review and approval (ORS 367.804(6))
- **Documents, Communications and Information Developed in Negotiations** ... until submitted to OTC in connection with review and approval (ORS 367.806(7))
- **Terms of Proposed and Final Agreements** submitted to OTC are NOT exempt from disclosure (ORS 367.806(8))



## Relevant Provisions of OIPP Law

- Local Consultations (ORS 367.804(3)(c))
- Consistency with Local, Regional and State Transportation Planning (ORS 367.806(2)(h))
- No Change in Transportation Planning Requirements or Processes
- No Change in Land Use Planning Requirements or Processes
- No Change in Environment-related Permitting Requirements or Processes
- No Change in NEPA Requirements or Processes



## OIPP Currently Soliciting Proposals In One Procurement For Multiple Projects

**1.The Sunrise Corridor** - New limited-access  
4-lane facility

**2.South I-205 Corridor Improvements** – Possible  
tolled expressway in SE Portland

**3.Newberg-Dundee** - Bypass of congested state  
highway

- **Two Phase Procurement Process:** Pre-development Agreement followed by Implementation Agreement
- **RFP allows Enhancements and Modifications** beyond project descriptions



## Characteristics of Pre-Development Agreements

- **Selection.** Choose partner based on qualifications, project understanding, financing approach and proposed compensation
- **Early Project Entry.** Private partners brought in early to undertake activities to support NEPA process and speed up project delivery
- **Financial Resources.** Contributed from both sides
- **Work Tasks.** Concurrent rather than sequential work:
  - Development of funding and financing plans
  - Public and political consensus building
  - Design innovation and project staging
  - Optimizing transportation solutions (modifications)
  - Formation of necessary districts or authorities

**If Phase One is successful, ODOT and Private Partner enter into negotiations for subsequent implementation agreements**



## **FHWA Special Experimental Project 15 (SEP-15)**

On May 6, 2005, FHWA granted ODOT exemptions from certain federal requirements of CFR Title 23 for the current OIPP procurement for three highway projects, ...

... subject to negotiation of Early Development Agreement (EDA).



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

#1 A modified procurement approach.

(a) Ability to accept and review proposal modifications requested by ODOT



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

#1(b) Price negotiations occur after selection of best proposer. Other proposal ideas may be shared with successful proposer during Negotiations. If negotiations fail with best proposer, negotiations may proceed with second best proposer.



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

- #1(c) Authority to issue RFP and execute OIPP Pre-Development Agreements prior to receiving final NEPA approval



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

- #2 In lieu of FHWA approval of RFP, FHWA reviews for further processing the OIPP procurement and contract documents and facility implementation and finance plans. Project authorization to follow completion of NEPA analysis.



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

- #3 Project developer to undertake  
responsibility for maintenance services  
for toll facilities



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

- #4 The combined two step procurement and price reasonableness assessment process prior to project authorization constitutes a competitive process for title 23 purposes, provided there is compliance with state and local laws



## FHWA Special Experimental Project 15 (SEP-15)

### FHWA Approval of OIPP Experimental Feature

- #5 Developer may provide NEPA support for the project, provided (a) unaffiliated consultant compiles NEPA documents, (b) all services are subject to control and direction by ODOT and FHWA; and (c) ODOT and FHWA are responsible for preparation, content and conclusions of NEPA documents



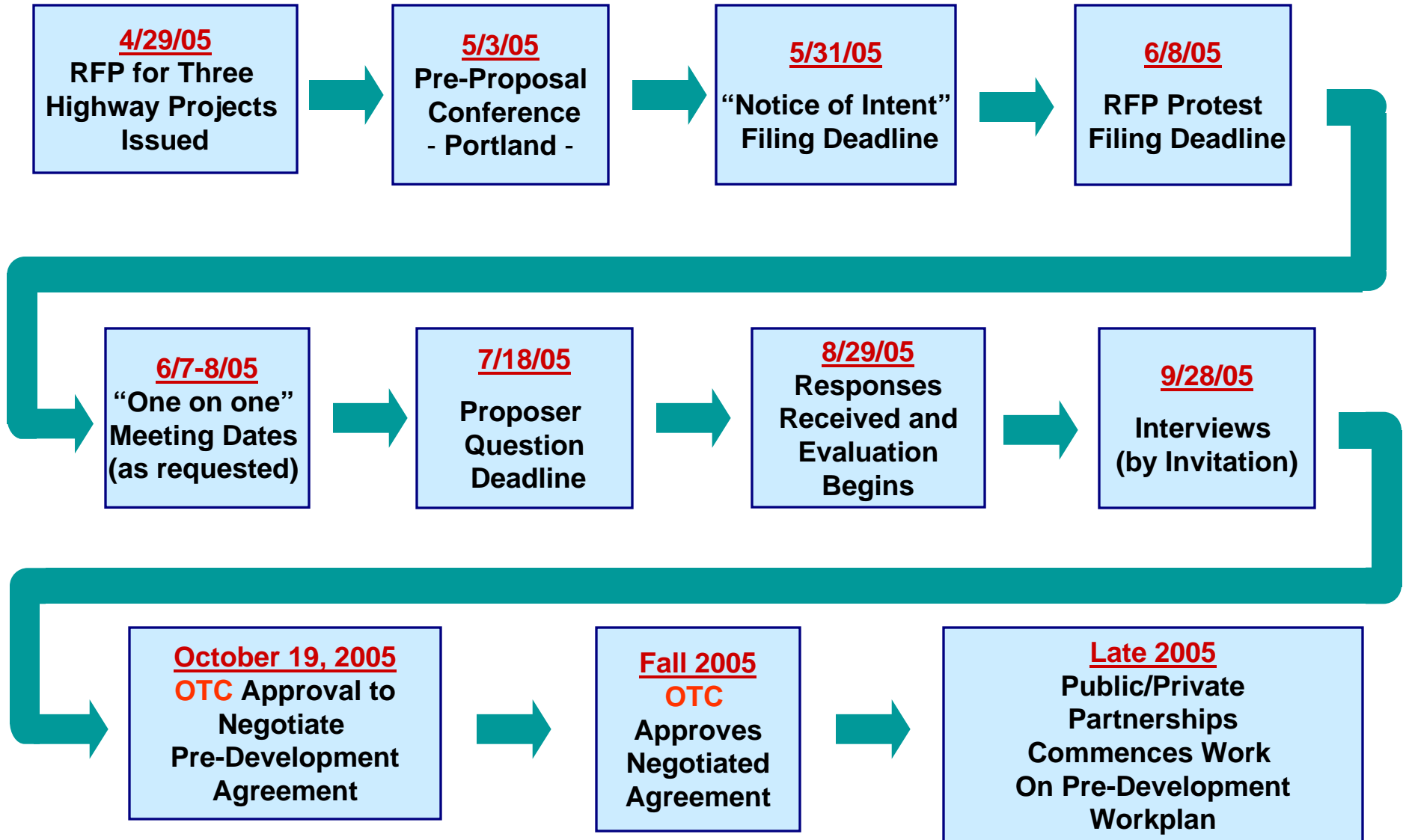
## OIPP Procurement for Three Highway Projects

### Proposals Submitted on August 29, 2005

- **Yamhill Transportation Partners (Bechtel Infrastructure Corporation & CH2M Hill Constructors Inc.)**
  - Newberg Dundee Transportation Improvement Project
- **Oregon Transportation Improvement Group (MacQuarie Group)**
  - Newberg Dundee Transportation Improvement Project
  - I-205 Widening
  - Sunrise Corridor



## OIPP Procurement for Three Highway Projects





## OIPP Procurement for Three Highway Projects Evaluation and Selection Timeline

- Receipt of Proposals – Aug 29
- Responsiveness Review – Aug 30
- Technical Review Team (TRT) Review (9/1 to 9/12)
- OIPP Technical Consultant Team Review (9/1 to 9/16)
- Local Consultations (9/12 to 9/16)
- Evaluation Team (ET) Preliminary Review (9/8 to 9/22)
- Proposer Interviews (9/28 & 29)
- ET Final Review and Recommendation to ODOT Director (10/3)
- ODOT Director Evaluates and Recommends to OTC (10/4)
- OTC Action on Recommendations (10/19)



# OIPP Procurement for Three Highway Projects

## Local Consultation

- Required during evaluation process with appropriate local governments, transportation districts, MPOs and area commissions on transportation. [ORS 367.804\(3\)\(c\)](#); [OAR 731-070-0295](#)
- ODOT requests local views on the following
  - Local opinion on qualification of proposers (may include preference)
  - Local opinion on elements of proposed project development
  - Local preference or aversion for a particular proposer
  - Local opinion on whether the proposals will likely accelerate cost-effective delivery or promote innovative approaches in carrying out the project



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*Website for Oregon Innovative  
Partnerships Program*

**[www.oregon.gov/ODOT/HWY/OIPP/innovative.shtml](http://www.oregon.gov/ODOT/HWY/OIPP/innovative.shtml)**

