



Oregon Department of Transportation



Oregon's Two Stage, Triple Procurement Approach

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Oregon Innovative Partnerships Program (OIPP)

- **Allows Unsolicited Proposals or Solicited Proposals**
 - **From Private Firms** (“Any ... legal entity or ...person ...”)
 - **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 ...”).
- **Allows Procurements outside standard processes of Oregon procurement law**
 - Projects Selected by Best Value or Qualifications rather than Lowest Bid
 - Allows Entry of Private Partners as early as Conceptual Stages



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)



ODOT's PDA RFP Approach

- **Solicited Proposal** – Controlling project selection
- **Two stage, Triple Project Procurement** – Targeting investment of private capital and expertise for project development
- **Wide Open Proposal Opportunity** – Attracting innovation into project development and financing
- **PDA Prior to NEPA Approval** – Partner assistance with project structure
- **Project Extensions** – Creating most viable project



Where We Are

ODOT signed contracts with the Oregon Transportation Improvement Group (OTIG), a Macquarie-led consortium for pre-development work.

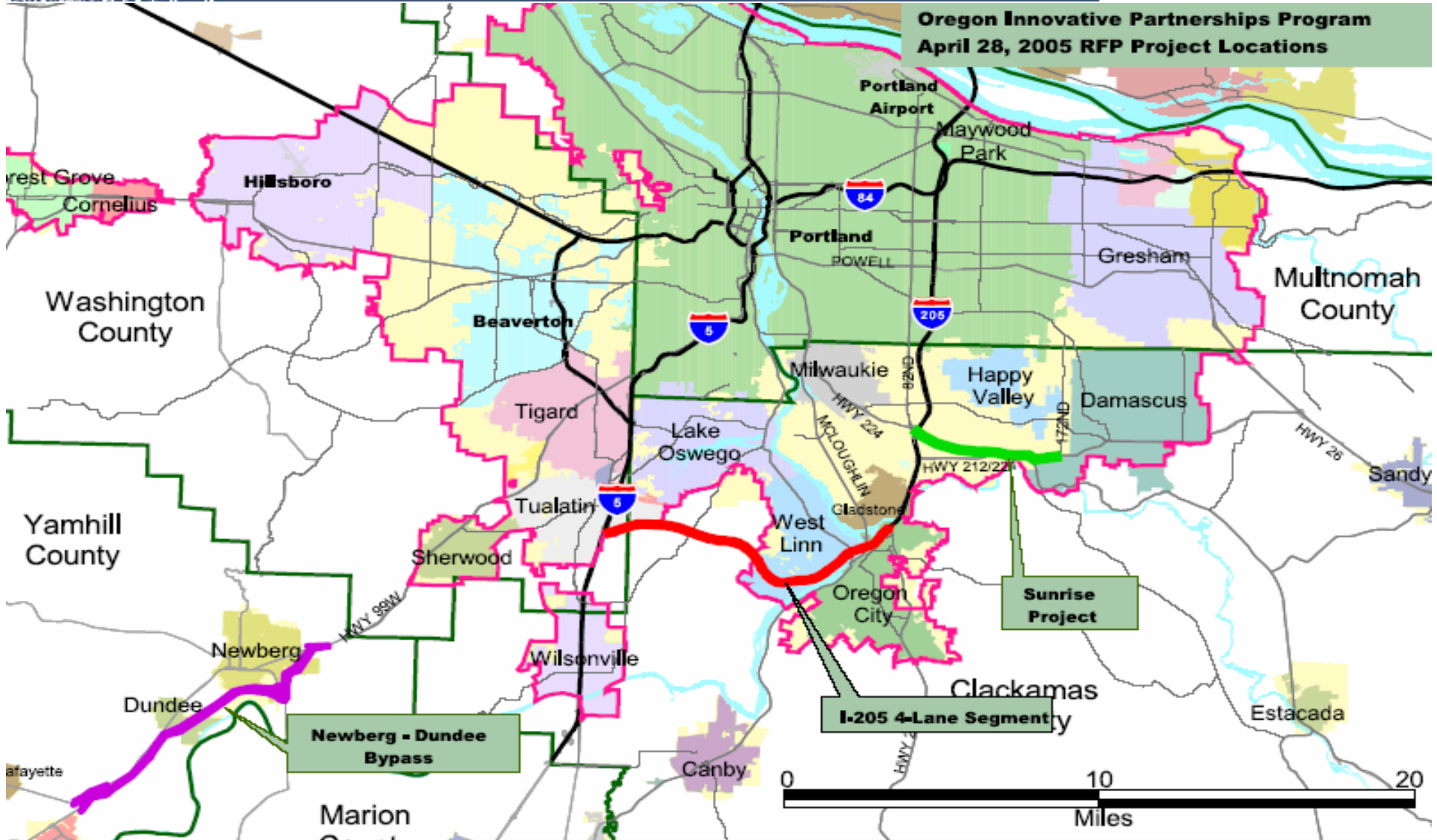
- 1. The Sunrise Corridor** - New limited-access 4-lane facility
- 2. South I-205 Corridor Improvements** – Possible tolled expressway in SE Portland
- 3. Newberg-Dundee** - Bypass of congested state highway









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Oregon Innovative Partnerships Program
April 28, 2005 RFP Project Locations



 Newberg - Dundee Bypass	 County line
 I-205 4 Lane Segment	 Metro Region Urban Growth Boundary
 Sunrise Project	 Within Urban Growth Boundaries



Advantages to ODOT of 2006 PDA Approach

Sharing Risk Among the Parties

- Up-front investment of private capital for project development
- Exposure cap on project development costs
- OTIG assumes 100% of risk for project financing and facility operation under multi-decade concession period.

Collaborative Working Groups

- Active interaction between Oregon DOT staff and OTIG professionals
- Greater public acceptance

Off Ramp Opportunities for Exiting Arrangement

- Provides political cover
- Allows exploration of less obvious project candidates



OIPP Procurement Barriers

- **Internal Barriers**
 - Traditionalists
 - Fear of Tolling and PPPs
 - Leadership
- **External Barriers**
 - Local Government Resistance
 - Public Resistance
 - Political Opposition



OIPP Procurement – Dissolution of Barriers

- **Negotiating Internal Barriers**
 - Project selection criteria
 - Project screening process
 - RFP development
 - Involvement of Leadership

- **Negotiating External Barriers**
 - Involvement of Local Leaders
 - Pre-proposal meeting
 - Consultation on proposals
 - Participation in proposer interviews
 - Observation and briefings during PDA Negotiations
 - Participation on Project Working Groups
 - Twice monthly briefings
 - Insertion of Tolling Message Early



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*Website for
Oregon Innovative
Partnerships Program*

More information available at:

www.oregon.gov/ODOT/HWY/OIPP/innovative.shtml

