RFI Response
Interstate 66 Corridor Improvements

Closing Date: 25 November 2013

Submitted to:
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1. Please describe your firm, its relationship to P3 projects and its potential interest in relation to the Project (e.g. design/engineering firm, construction firm, operations and maintenance firm, lender, equity investor, etc.)?

Skanska AB (“Skanska”) is a leading international project development and construction company ranked in multiple “Top 10” lists by Engineering News Record. It is headquartered in Stockholm and its shares are publicly traded on the OMX Nordic Exchange, Stockholm.

Skanska has 53,000 employees and had a turnover equivalent to USD 18.9 billion in 2012. The USA market generated approximately 29% of the Skanska group revenues.

Building on the successful partnership achieved with VDOT and OTP3 during the development of the Elizabeth River Tunnels project and in line with Skanska’s recognition of Virginia as a core state in which to do P3 business, Skanska USA Civil Southeast and Skanska Infrastructure Development Inc, both based in Virginia, are keen to invest in and design-build the I-66 opportunity.

We would be especially interested to see the Project developed as a managed lane facility, with toll revenue risk being passed to the concessionaire.

We are also in active discussions with other equity sponsors and the CJV has already selected its partners.

2. Are there any particular concerns with any of the information that has been provided in the RFI, the Detail Level Project Screening Report or the DEIS? Please explain any concerns and provide any proposed solutions or mitigations to address these concerns.

We have included in the table below, our concerns and the suggested mitigation for these:

<table>
<thead>
<tr>
<th>Concern</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Developing and maintaining political support for the Project</td>
<td>Identify and appoint a credible, proactive Project Champion; VDOT-led proactive outreach to legislators, NVTA, localities, local residents and end users that extols the Project's benefits while providing evidence that local concerns are being addressed.</td>
</tr>
<tr>
<td>Developing and maintaining effective stakeholder management</td>
<td>Involve VDOT Public Information staff from the outset; develop, manage and execute a communications strategy aimed at affected localities, local elected officials and opinion formers, as well as the travelling public.</td>
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</table>

3. What, if any, advantages will the Commonwealth potentially gain by entering into an agreement in which operations and maintenance, lifecycle responsibility and/or traffic revenue risk are transferred to the private sector? How do you assess the likely magnitude of such advantages? What are the potentially offsetting disadvantages?
In the table below, we discuss the perceived advantages and disadvantages of transferring the O&M, lifecycle and traffic risk to the private sector:

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td>Transfer of risk to the party best able to manage it</td>
<td>Concern by some of loss of control whereas this can be maintained more effectively through the Comprehensive Agreement and supporting performance and payment mechanisms.</td>
</tr>
<tr>
<td>Fixed price, date certain solution</td>
<td>Additional cost of development and financing when compared to traditional procurement method</td>
</tr>
<tr>
<td>Fully integrated whole life solution that incorporates innovation and best-in-class ideas to enable the facility to be managed with optimal efficiency over the concession term</td>
<td>Innovation reduced by over-prescriptive technical specifications; high sensitivity of cost outturns to changes in initial assumptions</td>
</tr>
<tr>
<td>Performance-based contract gives the Concessionaire discretion over how to deliver outcomes innovatively and more cost effectively</td>
<td>Greater complexity caused by the number of interdependencies between the cost components which results in unforeseen consequences during the Concession Period</td>
</tr>
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</table>

An example of achieving best value for money (VfM) for a DBFOM contract is provided by the I-595 Corridor Roadway Improvements Project where FDOT achieved a $65.9 million Maximum Availability Payment (MAP) upon Financial Close which was 8% lower than its forecast MAP of $71.9 million.

The Alberta government saved an estimated CA $371 million (17% savings) by procuring the Northeast Anthony Henday Drive (NEAHD) project as a DBFOM as opposed to a traditional DBB procurement.

4. Do you have any particular concerns with or major observations about the milestone schedule provided with this RFI? Please provide your views on proposed solutions to address these concerns.

Our concerns about the milestone schedule and proposed solutions are shown below:

<table>
<thead>
<tr>
<th>Concern</th>
<th>Proposed Solution</th>
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<tr>
<td>Commencement of procurement before the Tier 2 EIS is completed could result in bidders adopting the wrong mix of disciplines for the bid teams (e.g. LRT, BRT and AET require different skill sets in the design team)</td>
<td>Allow short-listed teams to adjust as appropriate once Tier 2 EIS is completed</td>
</tr>
<tr>
<td>Aggressive timeline between issue of the final RFP in Feb 2015 and the expected Commercial and Financial Closes in Summer 2015</td>
<td>If Federal money is involved (TIFIA, PABs), the Authority should allow a 3-4 month period between Commercial and Financial Close</td>
</tr>
<tr>
<td>Significant gap between announcement of the shortlist in May 2014 and the issue of the final RFP in Feb 2015</td>
<td>Maintain market interest by issuing draft RFP and CA within 2 months of shortlist announcement and conducting risk workshops with shortlisted bidders</td>
</tr>
</tbody>
</table>
5. What are the critical path items for the procurement of this Project and why?

Political consensus on final transit option to be accommodated by the Project, completion of the Tier 2 EIS and issuance of the ROD will be critical to completing the procurement and executing the CA.

Although not perceived as a critical path item, it will be important to bidders that VDOT establishes a credible Project procurement timeline and adheres to it.

6. Looking ahead over the next two or three years, do you believe your firm will be interested in submitting a committed proposal for the development of the Project (any or all of the building concepts)? Are there any particular concerns that may prevent your firm from getting engaged in the project development? How might these concerns be resolved?

A Skanska-led team could deliver any one of the Tier 1 building concepts; we have a preference more technically complex opportunities. However if it is deemed that the best method of delivering the Project is Design-Build, then Skanska Infrastructure Development will not be involved.

Particular concerns and mitigation are shown in the table below:

<table>
<thead>
<tr>
<th>Concern</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Procurement program delay</td>
<td>Set realistic milestones and decision points and maintain them</td>
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<tr>
<td>Lack of political support</td>
<td>Ensure political support for the Project is solid before starting the procurement; be up front with the selected private sector partner about opposition and support and work with them to get supporters energized early to be active on the Project. The many constituencies in this corridor have various expectations that are both conflicting and complementary; these have to be managed so that stakeholders believe that, in the medium- and long-term, their favored solution will be addressed</td>
</tr>
<tr>
<td>Stakeholder opposition</td>
<td>Ensure that effective stakeholder management is in place from the outset of the Project and manage key stakeholder expectations (e.g. CTB, NVTA, Fairfax and Prince William Counties) on a regular basis</td>
</tr>
<tr>
<td>Ambiguous, subjective evaluation criteria for the RFQ process</td>
<td>Given the complexity of this Project, evaluation criteria will need to be crafted that avoid a simple Pass/Fail qualification process. Teams should be shortlisted on their capability, experience and financial capacity to deliver the full range of Project improvement concepts being evaluated under the Tier 2 NEPA process</td>
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<tr>
<td>Inappropriate risk transfer</td>
<td>Dialogue between OTP3 and shortlisted bidders during the draft RFP and CA stage</td>
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7. What is the minimum amount of time that your firm requires to develop and submit a committed detailed proposal for the Project after issuance of potential RFP?

Assuming that the Tier 2 EIS has been approved, the ROD issued and the preliminary engineering is complete, an indicative estimate for developing and submitting a committed technical proposal would be 6-8 months. If Federal money is anticipated in support of the Project then an indicative estimate for Financial Close would be 3-4 months after execution of the CA.
8. Based on your experience in the development of similar projects and characteristics of the I-66 corridor, please explain the technical challenges that may be encountered with the highway and transit improvement concepts described in the Tier 1 DEIS. Please provide recommendations for mitigating or overcoming those challenges.

<table>
<thead>
<tr>
<th>Concern</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Integration of the transit option into a regional plan</td>
<td>Completion of the ongoing VDRPT Super NOVA Vision Plan will assist in the development of transit and TDM solutions that address the near, mid and long term needs of the Northern Virginia region and which collaborates with the strategies being developed by neighboring states</td>
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<tr>
<td>Difficult to design a transit solution that includes expansion of the Orange Line stations due to the unknown effects on demand after construction of the Silver Line is completed</td>
<td>Move forward with developing a solution that includes expansion of the Orange Line stations to meet projected ridership growth and mitigate the transit service demands on Metrorail’s fleet and inter-related facilities; or, delay plans to expand the Orange Line until Metrorail operations have begun on the Silver Line and ridership exceeds station capacity</td>
</tr>
<tr>
<td>Impacts of construction and maintenance of traffic operations in a developed corridor where existing capacity results in long peak times and unreliable travel time for users</td>
<td>Improve local secondary roadways and install ITS communications systems in advance of the project starting in an effort to provide viable alternatives to travel on I-66</td>
</tr>
<tr>
<td>Areas with existing geometric deficiencies within the I-66 corridor will increase safety concerns as congestion increases over the life of the project development and construction</td>
<td>Provide intermediate safety and operational improvements early in the project development or under separate improvement projects prior to the start of the I-66 Corridor project</td>
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9. Do you believe a bifurcated highway system along the I-66 corridor is technically feasible? Please provide any experience and supportive information that you may be able to share from similar projects.

Although feasible, a bifurcated highway system can be technically challenging and difficult to construct in a corridor with a limited easement. For example:

- Surface access and vertical clearances may limit construction methods.
- Challenges to the vertical height required to clear the network of existing highway, transit, utilities and other infrastructure within the corridor.
- The connection into existing interchanges, including the newly constructed I-495 Express Lanes, will require implementation of unique solutions that could be technically difficult and economically challenging.
- Additional consideration must be given in the design of such a system to preserve the project goal of facilitating future extension of transit within the corridor.
Examples (continued):

- Consideration should be given to designing a system that maintains the ability to transform usage of a bifurcated structure across multiple modes of transportation (general purpose lanes, HOV lanes, managed lanes, BRT, transit, etc.) to avoid precluding one transportation mode in future planning and to allow flexibility within the network.

- Some negative effects of constructing a bifurcated highway system may be local objections to the aesthetical quality of an elevated infrastructure, potential noise effects and the increase of large shadow areas that may cause hazards in adverse winter conditions.

- The use of precast concrete segmental construction for long spans can be economical and beneficial in restricted construction sites.

10. What are the most significant cost drivers in the development and operation of the ML and BRT concepts along the I-66 corridor? How can these concepts be implemented in such a way as to preserve the potential for rail extension?

ML and BRT may have similar infrastructure demands, but require unique ITS, signaling and communication systems:

- Flexibility should be built into the systems design to facilitate multiple transportation modes.

- The infrastructure for ML and BRT can be designed to be replaced with extension of the rail system by maintaining the minimum width required for easement and clearances to adjacent facilities for Metrorail operations.

11. What, if any, interoperability issues do you foresee with the current tolling system on I-495 Express Lanes?

Skanska is aware that I-495 is an All Electronic Tolling solution which supports both:

- E-Z Pass (IAG) tag operations using 6C Protocol tags and the Kapsch “Janus” Multiprotocol readers, coupled with,

- Video tolling for those customers registered with the roadway but without E-ZPass tags – should they have elected such an option.

The I-495 Back Office Venture CSS solution is interfaced with VDOT Black Box for processing E-ZPass tag transactions using a white and black list of tags from subscribing operators.

Similarly any I-66 intended tolling system would include the provision of an E-Z Pass solution that interfaces with the VDOT Black Box and which will logically interface with any I-495 tag subscriber – and with any other tag subscriber.

The following interface specifications will be used to develop, implement and operate BOS interfaces to VDOT systems for the exchange, correction and reconciliation of tag and plate transaction data:

- Virginia Department of Transportation E-ZPass Service Center (Black Box) Interface Specifications, Version 3.5.1 – Final, August 23, 2011.

Interface specifications (continued):


As the I-495 system is fitted with video tolling capability, for an I-66 solution to interface with this functionality, a video tolling MoU could be developed specifically with the I-495 system for exchange of License Plate data (white and black lists exchanges) and the commercial operating protocols needed for mutual exchange/billing arrangements related to respective users.

We also note that the I-95 will have HOV managed lanes planned for commissioning in November 2014. It is our understanding that the back office arrangements for the I-95 will encompass similar technology as the I-495 and maintain similar back office operating protocols. Accordingly interoperability with the I-95 should also be a feature of the I-66 solution.

Finally, consideration should also be given to interoperability with the Dulles Greenway and Dulles Toll Road.

12. What suggestions do you have for better coordination between this Project and other projects currently under design or construction along the I-66 corridor?

The need for coordination between projects is common in transportation construction. This is typically performed by the design and construction teams with minimal Owner involvement as long as there is a clear delineation of project scope and responsibilities between the projects.

13. What challenges are associated with managing the lifecycle costs for the improvement concepts as described in the Tier 1 DEIS? What measures would you suggest to mitigate these risks?

The challenges associated with managing the lifecycle costs for the Tier 1 improvement concepts and suggested mitigation actions are discussed in the table below:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Mitigation</th>
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<tr>
<td>Difficulty in predicting long-term future costs and the high sensitivity</td>
<td>Develop sophisticated whole lifecycle cost models, using experienced modelers, which can be</td>
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<tr>
<td>of cost outturns to changes in initial assumptions</td>
<td>manipulated to simulate different scenarios; consider maintenance reserve in the financial</td>
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<tr>
<td></td>
<td>model</td>
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<tr>
<td>The complexity of the cost modeling process leading to development of</td>
<td>Establishment of a public sector comparator (PSC) which includes the Authority’s full costs</td>
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<td>cost models that do not include all the relevant cost parameters</td>
<td>and evaluating this against the Concessionaire’s pricing solution</td>
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<tr>
<td>Uncertainty of risk allocation and transfer of unbounded risks</td>
<td>Careful and clear allocation of risks between the Authority and Concessionaire, including</td>
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<td>risk sharing, in order to optimize price, contingency and margins</td>
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<td></td>
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<tr>
<td>Over-prescriptive, “gold-plated” technical specifications</td>
<td>Value engineering of pricing solutions to reduce unnecessary over-engineering and oversight</td>
</tr>
<tr>
<td></td>
<td>costs</td>
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</table>
14. What adjustments to the Project scope or development strategies (including potential phasing of project elements) would you consider/recommend to reduce the upfront capital costs and/or the lifecycle costs of the overall project costs?

A phased approach can confer particular affordability advantages to the Project. In past projects in the Commonwealth, the financial markets have shown a capacity to accommodate a level of revenue risk where ongoing operations help to finance the construction of later phases of the project. To the extent that a ML facility can be phased in and made partially operational before the entire project is completed, revenue from operations may be able to contribute to the cost of constructing later phases, as well as provide a more gradual ramp-up curve for users of the facility.

Phasing in elements of the project scope can more effectively allow for the use of milestone payments, as discussed in the response to question 16.

It should be noted that expanding the general purpose lanes in the corridor while also creating a ML facility can introduce issues in financing the project, as the revenue predictability of the project decreases substantially – both for an independent operator in a market-risk structure, and for the Commonwealth in the case they decide to retain that risk and pursue an availability payment or design-build structure – thus potentially increasing the cost of finance. We recommend that these solutions be considered separately, and if combined, that a phased approach be considered to prevent the reliance upon revenue from a ML facility that is to open along with additional GP lane capacity.

15. Please explain in detail any alternative technical solutions that may enhance the development of the Project. Identify the risks associated with the alternative technical solutions and discuss the potential cost of each technical solution.

We very much support the development of alternative technical solutions in order to drive innovation from bidders and further enhance the Project solution. However it is our belief that these are best developed during the RFP phase of the project in order to ensure collaboration with the Agency while protecting the confidentiality of ideas that may give a bidder competitive advantage. We also support the concept of alternative commercial and financial concepts to enhance the overall Project solution. These may need revisions to the Comprehensive Agreement which can be shared with other bidders while protecting the originator of the concepts ideas.

16. Please explain your firm’s interest in the improvement concepts discussed in the Tier 1 DEIS. What is your recommended approach for financing the capital cost of each concept?

According to the RFI, the Tier 1 DEIS improvement concepts approved by the Commonwealth Transportation Board for further consideration and Tier II analysis include:

- Improved Spot Locations/Chokepoints
- Intermodal Connectivity
- Safety Improvements
Concepts (continued):

- Transportation Communication and Technology
- Additional General Purpose Lanes
- Managed Lanes
- Bus Rapid Transit

The Project will include some combination, if not all of these improvements. As has been seen in other areas of the country, merely expanding general purpose roadway capacity is often an incomplete solution to existing and future transportation problems, as demand trends increase to occupy the available capacity. Therefore, a solution needs to take into account increases in intermodal connectivity to give users increased options and increased predictability, and improvements in communication will facilitate effective uptake and use of those options. A managed lanes facility offers a way to deliver additional capacity that provides corridor users with a choice, improves travel-time predictability for users of the facility, and can allow for incorporation of a BRT facility while defraying some of the high costs that would be associated with bus-only infrastructure.

We also note that several stakeholders are still advocating an analysis of additional transit solutions as part of the Tier II study; specifically extension of Metro’s Orange Line, light rail and even a Virginia Railway Express extension. It is not yet clear whether some amendment to the Commonwealth Transportation Board’s decision on Tier II alternatives might eventually reflect some analysis about these additional solutions, albeit noting that they are very long range. There are likely to be expectations from some stakeholders that the Project design does not preclude these options in the future.

Both a toll concession and an availability payment structure will allow the Commonwealth to pass key risks in construction, operations, and lifecycle costs on to the private sector, providing long-term certainty for the Commonwealth while bringing on board a development partner experienced in managing these risks. Ultimately, the financing approach will have to depend on the combination of solutions chosen for the scope of the project and their affordability. Because this Project is likely to incorporate a ML facility along with non-revenue-generating improvements to the corridor, the revenues generated by such a concession may not be able to fund the full Project, and a combination of a toll-concession with an availability payment structure that could be the most transparent and financeable solution. Such an approach would allow bidders to add value by structuring an efficient financing solution involving some combination of bond issuance, bank debt, and TIFIA/other subordinated financing.

To the extent a phased approach is pursued, milestone payments can be an efficient solution to scope/affordability concerns. Such payments would provide for a portion of the scope to be financed with cost-effective short-term financing, while conferring an advantage to bidders that can best provide certainty of delivery on construction.

17. Please discuss your firm’s interest in:

A. Accepting traffic and revenue risk in a toll concession.

Skanska has a successful track record of building and operating transportation projects with substantial traffic and revenue risk and has worked with the Commonwealth on such projects previously. We would be especially keen to accept traffic and revenue risk on this project, provided the risk profile and provisions within the Project Agreement are acceptable and in line with previous ML transactions.
B. Accepting performance risk in an availability structure.

Skanska has experience accepting performance risk in an availability payment structure on numerous previous projects around the world. We are willing to accept performance risk on this project provided the pertinent protections and provisions in a Project Agreement are acceptable and in line with previous transactions.

18. What is a reasonable concession term for a ML or BRT concept? Why?

There are several considerations that go into the determination of a concession term for a ML or BRT concept, among them affordability and financing concerns, risk-transfer considerations, and the lifecycle of the asset. In a market-risk or availability payment structure, a longer concession term provides more time for a concessionaire to recoup their investment as well as greater flexibility in structuring project financing (financial instruments such as TIFIA and PABs often can have terms of 35-40 years), while also passing on operational and lifecycle risks to the private sector for a longer period.

At the same time, the concession term should prevent an untimely hand-back of the asset to the Commonwealth, both in order to prevent the Commonwealth from being saddled with large capital outlays to upgrade the asset post-concession, as well as to allow for the capital expenditures of a concessionaire in the years leading up to the hand-back of the facility to coincide with the major maintenance cycle of the asset. Given these considerations, we recommend that the Commonwealth refrain from determining a set concession term until the Project is at an advanced stage of development.

Once more details on risk allocation, project scope and preferred finance structure etc. are known, it will become more apparent why a particular concession term has been chosen and thus be easier to explain to key stakeholders and decision-makers.

19. If your firm is a Disadvantaged Business Enterprise (“DBE”) or a Small, Women-owned, and Minority-owned Business (“SWaM”), please provide any suggestions or commentson how OTP3, VDOT or DRPT can help to develop teaming opportunities with prime contractors.

Our firm is neither a DBE nor a SWaM business. However, we fully support VDOT’s DBE/SWAM objectives and, as evidenced by the Elizabeth River Tunnels project, we take a proactive approach to the utilization of disadvantaged businesses to ensure project goals established by our clients.

20. Based on the characteristics of the I-66 corridor, suggest the number of persons per vehicle that should be required to qualify as a high-occupant vehicle. Explain why selecting this number may be in the public interest and beneficial to comply with the federal Clean Air Act of 1990? Please provide quantitative and qualitative evidence to support your arguments.

Part A (Motor Vehicle Emission and Fuel Standards) of Title II (Emissions for Moving Sources) of the 1990 Federal Clean Air Act deals specifically with motor vehicle emissions for new and existing vehicles.

The EPA estimates that cars and trucks account for almost half the emissions of the ozone precursors VOCs and NOx and up to 90% of the CO emissions in urban areas.
Question 20 (continued):


Moving Ahead for Progress in the 21st Century Act (MAP-21) specifically defines an HOV as “a vehicle with no fewer than 2 occupants”.

Chapter 2 - HOV Facilities of the Transit Cooperative Research Program (TCRP) Report 95 dated 2006 noted that “HOV is a function of many factors including the occupancy requirement, network connectivity and the state of the adjacent general purpose (GP) lanes”.

The report goes on to say (pages 2-5 to 2-6) that, “the attractiveness of HOV facilities and traveler response to them depends on the travel time they save for the user, the trip time reliability offered, the types and levels of bus service on the facility, location and orientation within the urban area, HOV lane use eligibility requirements, years in service, presence of supporting elements such as park-and-ride lots and corridor congestion levels...The presence of congestion on the GP lanes and parallel highway facilities is nearly always an essential ingredient of HOV lane effectiveness”.

In short, the perceived effectiveness of HOV-lane facilities is based on site-specific factors. Moreover, the report notes further (page 2-6) that “the greatest person throughput will be achieved with the most liberal lane use eligibility requirements that can be sustained without creating HOV lane congestion”.

Table 2-1 of the TCRP report indicates that the majority of the HOV facilities in the US are HOV 2+, although it notes that the I-395 in Northern Virginia is a HOV 3+ facility.

While it can be argued that HOV 3+ leads to fewer mobile emissions by getting people into fewer vehicles, the decision to impose HOV 3+ must be weighed against user behavior (and resistance) and societal factors. In 2012 the New York Times published an article entitled “Access to the Car Pool Lane Can Be Yours, For a Price” based on data from the 2009 US Census that indicated 76% of US workers drive to work alone and only 10% rideshare; for suburban commuters working in the city, the solo driving rate was 82%.

The TCRP report (pages 2-7 to 2-8) provides criteria for where HOV lanes are likely to be successful:

“Urban area characteristics should desirably include a population of over 1.5 million, HOV service to major employment centers with more than 100,000 jobs, preferably a CBD (central business district), and geographic barriers that concentrate development and constrict travel. Preferably there should be a realistic potential for transit using the facility with 25 or more buses in the peak hour. Peak hour freeway congestion in the GP lanes is a nearly essential indicator and HOV time savings should preferably be 1.0 minutes per mile or 7-5 minutes total, or at least 0.5 minutes per mile or 5 minutes total”.

In conclusion the determination of the number of persons per vehicle should be site-specific to the I-66 corridor and only decided after modeling and analyzing travel demand by users, as well as the extent of user support for raising the HOV limit to 3+ in order to reduce vehicle emissions. In short, we support the maintenance of a HOV 2+ limit until there is a compelling reason to change. But, in any event, we agree consideration of HOV 3+ facilities should be part of the modeling process.
21. What additional challenges or risks should OTP3, VDOT, DRPT or CTB be aware of in regard to Project’s scope, procurement process, delivery method, term of contract, technical and financial feasibility etc?

The following is a list of key risks that we believe agencies and the CTB should be aware of:

- Inter-agency cooperation, communication and liaison, including outreach protocols.
- Maintaining transparency of the Project procurement process, while protecting commercially sensitive data of bidders.
- Attempts to intervene politically once the Project procurement is underway.
- Public outreach and education of the P3 process.
- Cultural fit of the proposed Project solution with NoVa stakeholders.
- Appropriation risk in the event that Availability Payments are adopted.
- Archeological and historical risk related to the Manassas battlefield.
- Deemed competence and capacity of the NoVa district to manage the Project once the CA is executed.
- Future-proofing the CA to ensure it can adapt to inevitable changes in the I-66 corridor requirements over the Concession Period.

22. Other than the answers that you have already provided, what information would help your firm to make the best business decision to engage in the development of the Project?

Before embarking on a complex P3 project development, Skanska will consider the following factors:

- Opportunity cost of pursuing this Project as opposed to those in other states.
- Robust business case, including certainty of cash flows.
- Strategic fit from competency, market, proven experience and geographic location.
- The extent of the competition and a shortlist not exceeding 4, preferably 3 bidders.
- Political risk that has the potential to impact adversely on the Project, including threatening its viability.
- The experience and capacity of the Authority (in this case VDOT) team to undertake a complex procurement over an extended period.
- No adverse change to the PPTA legislation and continuing operation of the OTP3.
- Payment mechanism: market risk, availability payment or shadow tolls.
- Sponsor support / contingent liabilities.
- Exit restrictions.
- Interfaces with other projects that could adversely impact Project schedule and cost.
- Extent of stipend for significant technical work.
- All necessary environmental work complete and a clear path to permitting in place.

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