



# POLICY BRIEF

**COLORADO DEPARTMENT OF TRANSPORTATION**  
**High Performance Transportation Enterprise**  
**4201 East Arkansas Avenue, Room 230**  
**Denver, Colorado 80222**

November 3, 2014

## **Understanding the Request for Qualifications (RFQ) Process for I-70 East**

### **Background**

I-70 East between I-25 and Tower Road is one of the most heavily traveled and congested highway corridors in the Denver region and the State. After more than ten years of study and community outreach focused on determining the future of this corridor, the Colorado Department of Transportation has recently begun the concurrent processes to seek public input on how the project will be built and financed. The purpose of the attached document is to explain a key step in this process—the “Request for Qualifications” or “RFQ.” The primary purpose of an RFQ is to invite private sector bidders to submit their qualifications and for CDOT to share its priorities and goals for I-70 East. The RFQ also is the first formal step in pursuing a possible partnership with the private sector.

No final decisions have been made to date regarding the final selected alternative for the I-70 East Project, the content of any RFQ, any future agreement with a private partner, or whether CDOT will engage a private partner to develop the project. Further, this process does not prejudge the final project to be constructed, which will be determined at the conclusion of the Environmental Impact Statement process.

### **Role of the High Performance Transportation Enterprise (HPTE)**

HPTE is a division of CDOT charged by statute with finding innovative ways to accelerate important congestion relief projects. For each project it considers, HPTE examines the risks and value to the state of various financing options. This includes determining whether private investment is beneficial to a project. In July of 2014, the Colorado Transportation Commission, CDOT’s policy making body, formally asked HPTE to explore a public-private partnership alternative for the major improvements being proposed for I-70 East and confirmed the importance of public outreach and transparency through this process.

### **Outreach to Date**

CDOT has engaged in a decade-long public outreach process in connection with the I-70 East project. The following is a summary of recent efforts by HPTE to share financing and partnership options for I-70 East with the public and seek input on these options:

- June/July 2014: “Vision Stage” public outreach. Focused on describing the “public-private partnership” and “design-build” options and the role of HPTE. Included a public meeting and telephone town hall. Information on the input received is available at <http://www.coloradodot.info/programs/high-performance-transportation-enterprise-hpte/about-us/informational/townhall-meetings-qandas.html>.

- October/November 2014: “Pre-RFQ” public outreach. Focused on explaining the RFQ process to the public and seeking input on what type of partner CDOT should seek. Efforts include public meetings and an online survey, in addition to this Policy Brief.

### **Innovative Contracting**

CDOT anticipates that I-70 East will be constructed using one of two innovative contracting methods: design-build or public-private partnership.

The Federal Highway Administration defines:

- “design-build [as] a project delivery method that combines two, usually separate services into a...single, fixed-fee contract for both architectural/engineering services and construction”; and
- public-private partnerships as “contractual agreements formed between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects”, which in this case is anticipated to include responsibility for finance, design, construction, operations and maintenance within a single agreement.<sup>1</sup>

Both a design-build contractor and a public-private partnership developer can be a single firm, a consortium, joint venture or other organization assembled for a particular project. The term for a public-private partnership can vary, but in the case of this project is expected to be between 30 and 35 years following the completion of construction, with the construction period expected to be approximately 4-5 years.

Both design-build and public-private partnerships require the issuance of an RFQ, which is the first step in the procurement process that leads to selection of a contractor or developer.

The primary purpose of an RFQ is to ask interested private sector teams to submit statements of their qualifications to partner with the State. An RFQ requests detailed financial, technical, legal, project management and other project experience of the firms who want to participate. An RFQ also details the project expectations HPTE and CDOT have for any team that wants to partner. From the list of firms that submit an RFQ, a short-list of three or four teams can be selected. These firms are asked to continue in the procurement process by responding to a Request for Proposals (RFP).

### **Key Elements of an RFQ**

An RFQ is CDOT’s opportunity to ask potential partners to share their experience across multiple focus areas including: maintaining acceptable residential and business access during construction; working successfully with diverse neighborhoods; and working with technical challenges like those in the I-70 East corridor. An RFQ is typically a lengthy document meant to convey specific legal and contractual concepts. The following highlights a few key sections of the RFQ and their purpose in the document, and provides a brief summary of the information that may appear in the RFQ.

#### The Project Description

*The project description is provided to help potential partners understand key elements of the project most critical to stakeholders.*

The corridor provides regional access from downtown Denver and the metropolitan area to Denver International Airport; linkage as an inner beltway between I-225 and I-270; and access to adjacent employment areas, neighborhoods, and new development centers. The corridor is also home to over 1,200 businesses.

After more than ten years of study, CDOT has identified the “Partial Cover Lowered” (PCL) alternative as the “preliminary identified preferred alternative” in the environmental study document for the project.

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<sup>1</sup> See: [http://www.fhwa.dot.gov/ipd/p3/defined/design\\_build.aspx](http://www.fhwa.dot.gov/ipd/p3/defined/design_build.aspx) and <http://www.fhwa.dot.gov/ipd/p3/defined/>.

The PCL alternative proposes to remove the viaduct between Brighton Boulevard and Colorado Boulevard and reconstruct I-70 below the existing ground level. A critical feature of this design is a highway cover over I-70 between Clayton Street and Columbine Street, adjacent to Swansea Elementary School. An urban landscape is expected on the cover, with the potential to include playgrounds, plazas, outdoor classrooms, and community gardens. The PCL alternative also includes the addition of two tolled Express Lanes in each direction, providing a choice for drivers to pay for a reliable travel-time.

### Project Goals

*The goals of the project are provided to help potential partners understand the values of the project and to highlight their qualifications in these areas.*

The following project goals, which are not listed in order of importance, have been initially identified and are subject to further public input. CDOT is seeking to:

- Maximize scope of the project
- Provide a quality product that minimizes maintenance costs
- Enhance community values and project benefits
- Protect safety of workforce and public
- Minimize impacts to travelers and nearby communities

### Commitment to Transparency

*This section stresses the importance of transparency to CDOT and to HPTE and shares key next steps meant to carry forward that commitment.*

Any private partner is expected to share HPTE's commitment<sup>2</sup> to prioritizing transparency during procurement and implementation of the project. In addition to the outreach conducted in the June-November 2014 period, HPTE will provide the following additional opportunities for the public to learn about next steps and provide input:

- 1) Pre-Request for Proposals and Selection– Public meeting to explore the potential public-private partnership for the project, potential partners, and the expected elements of a Request for Proposals.
- 2) Pre-Contract Award- After HPTE short-lists bidders based on the RFQ process, but before HPTE issues a final RFP, HPTE will hold a public meeting to make available a summary of the expected contract elements, including protections for the state and public, and performance standards.
- 3) Post-Contract Signing - Once an agreement has been signed, the HPTE will post online a summary of the essential terms of the agreement. After the agreement has become fully effective, the HPTE will post the full agreement on its website.

### Public Outreach

*This section explains the importance of informing the public about the progress of the project, particularly activities and impacts associated with its final design and construction.*

Proactive, two-way communications that engage stakeholders through the life of the project are critical. The project will require active communication in and around the I-70 East Corridor, including with local communities, residents and businesses impacted by the project. CDOT recognizes that these stakeholders expect to be fully informed of decisions, activities and impacts associated with its final design, construction, maintenance and operations. In particular, interested partners should be aware that the

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<sup>2</sup> In June of 2014, Gov. John Hickenlooper signed an Executive Order directing the HPTE to adopt additional transparency measures in the procurement of public-private partnership project agreements for transportation infrastructure projects. The HPTE's Board of Directors also has adopted a Transparency Policy for the HPTE relating to Public Private Partnerships. The HPTE Transparency Policy is available [here](#).

greatest impacts of this project occur in neighborhoods with a high percentage of Spanish-speaking residents. Therefore, an emphasis on culturally sensitive and bilingual communication strategies is important.

#### Small Business Participation and Workforce Development

*The magnitude of this project necessitates a particular focus on providing opportunities for small and disadvantaged businesses and local workforce development.*

CDOT is committed to creating meaningful opportunities for the participation and development of small businesses throughout the duration of the project. To promote the utilization of both Disadvantaged Business Enterprises (DBEs)<sup>3</sup> and Emerging Small Businesses (ESBs)<sup>4</sup>, the project will include goals for small business participation as well as innovative approaches to outreach, business development, and compliance.

CDOT is similarly committed to developing a strategic approach to preparing and creating opportunities for individuals in the local communities to obtain employment on the project. CDOT is currently collaborating with the local workforce centers to determine how CDOT might be able to leverage existing resources to maximize workforce development in anticipation of the project.

The private partner will be expected to comply with and develop innovative approaches to the development of the local workforce. Additionally, to comply with expected federal requirements, the private partner will be required to provide opportunities for On-The-Job Trainees aimed at developing full journey workers in a trade or job classification. Though the program is open to all, trainees are to be recruited among women and minorities as available according to census data.

#### Environmental Justice

*A defining feature of the environmental study, CDOT will carry through its commitment to environmental justice through the construction process.*

In accordance with the principles of environmental justice, CDOT has committed to mitigation measures to offset the impacts of the project on minority and low-income communities. The private partner shall be committed to seeking to understand the impacts of the project upon minority and low-income communities, to fully implementing all mitigation measures identified in the EIS in good faith, and to maintaining access for and reducing the impacts of the project to local residents and businesses.

#### **Next Steps**

It is anticipated that CDOT will decide whether to issue an RFQ based on either a design-build or public-private partnership by the end of the calendar year. In November of 2014, the Transportation Commission and HPTE Board will receive a summary of the input received in this Pre-RFQ stage. A final decision by the Commission and HPTE Board will be based upon public input gathered over the last several months along with updated financial and other relevant analysis. For more information on the project and financing process, visit [www.i-70east.com](http://www.i-70east.com) or [www.coloradodot.info/programs/high-performance-transportation-enterprise-hpte](http://www.coloradodot.info/programs/high-performance-transportation-enterprise-hpte).

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<sup>3</sup> To participate as a DBE on the project, a firm must be DBE-certified by a Colorado Unified Certification Program (UCP) certifying agency. To participate as an ESB, a firm must be ESB-certified by CDOT. CDOT's Connect2DOT program (<http://www.connect2dot.org>) offers statewide supportive services for small businesses seeking to get certified or to further develop and prepare their business for opportunities on this project.

<sup>4</sup> The DBE Program is a federally-mandated small business program that seeks to ensure nondiscrimination in the award and administration of federally-assisted projects. The ESB Program is a CDOT-specific, race and gender-neutral small business program that seeks to assist smaller firms in competing for CDOT projects.