The I-69 Section 5 Project

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Project Overview

• Section 5 is approximately 21 miles
• Connects Bloomington to Martinsville as part of the larger I-69 corridor
• Rehabilitates and expands portions of Highway 37 and brings it up to interstate standards
• I-69 Sections 1 through 3 are open to traffic and Section 4 will open in 2014 and 2015
• Section 5 is critical to connectivity and safety
Selection of Availability Payment Model

- Significant market appetite for risk sharing
- Availability payment is fixed subject to indexation, creating budgetary certainty for public authority
- Innovative design process is facilitated by competitive RFP process
- Developer requires lower return due to guaranteed payment stream (subject to deductions)
- Encourages developer to keep facility open and perform to standards
- Developer has ability to access most efficient financing structure
I-69 Section 5 Procurement Schedule

- Industry Day: May 22, 2013
- RFQ Issued: May 23, 2013
- Shortlist Announced: July 30, 2013
- Draft RFP Issued: October 15, 2013
- Final RFP Issued: January 15, 2014
- Committed Bids Received: January 21, 2014
Shortlisted Teams

• **Connect Indiana Development Partners**
  – Equity Sponsors: Macquarie Capital and Lane Infrastructure
  – Design-Build JV: Lane Construction and Ames Construction

• **I-69 Development Partners**
  – Equity Sponsor: Isolux Infrastructure Netherlands
  – Design-Build: Corsan-Corviam S.A.

• **Plenary Roads Indiana**
  – Equity Sponsor: Plenary Group USA

• **WM I-69 Partners**
  – Equity Sponsors: Walsh Investors and Meridiam Infrastructure
  – Design-Build: Walsh Construction
Evaluation Process

• Technical Proposal and Financial Proposal evaluations conducted by separate teams
• Evaluators are all IFA/INDOT personnel supported by staff and consultants
• No communication occurred between technical and financial teams until both teams had fully completed their evaluations
• Final step of combining technical and financial scores resulted in a total score out of a maximum of 100 points available
Financial Score

• Represents 80 of the total 100 proposal points available
• 75 of the 80 points determined by the proposer’s MAP score according to formula:

\[
\text{MAP Score} = \frac{\text{Lowest Value of Base MAP}}{\text{Proposer's Value of Base MAP}} \times 75 \text{ Points}
\]

• Remaining 5 points awarded based on feasibility of financial proposal as determined by the evaluation committee
• Total Financial Score = MAP Score + Feasibility Score
Technical Score

• Represents 20 of the total 100 proposal points available

• Technical Proposal Score determined by 3 major elements:
  – Preliminary Project Management Plan (30)
  – Preliminary Design-Build Plan (35)
  – Preliminary Operations and Maintenance Plan (35)

• Technical Proposal Score determined by formula:
  Technical Proposal Score = TPEC evaluation score X 0.20
Best Value Determination

• Final step merges financial and non-financial considerations into a final score out of a maximum of 100 points available

• Combination of scores determined by formula:

\[
\text{Total Proposal Score (out of 100)} = \text{Financial Score (up to 80 points)} + \text{Technical Score (up to 20 points)}
\]
Preliminary Preferred Proposer

I-69 Development Partners

Equity Partners: Isolux Infrastructure Netherlands (Isolux)
Lead Contractor: Corsan – Corviam Construcción, S.A.
Major Subcontractors: AZTEC/TYPSA, Gradex, Force, E&B Paving, and Burgess & Niple

Financial Highlights

Total Construction Cost: $325.5 million*
Base Maximum Availability Payment: $21.8 million

*Construction cost lower than the $347m included in the Initial Financial Plan

Proposal Key Dates

Financial Close 7/1/2014
Substantial Completion 10/31/2016
Construction Period 28 months

I-69 Section 5
Partnering in Innovation & Teamwork
I-69 Development Partners

- I-69 Development Partners has the lowest overall cost and lowest Maximum Availability Payment

- The team brings extensive international P3 project development, finance, and operations experience and has significant Indiana involvement:
  - Gradex, Force, and E & B Paving on construction
  - Burgess & Niple for design

- The proposed Private Activity Bond structure received two indicative investment grade ratings and two full volume underwriting commitments, exceeding the threshold requirements of the RFP