



**Mississippi Department of Transportation
Response to Questions
Received June 7, 2008 – June 13, 2008
Regarding the Airport Parkway Project**

Question: Section 2.9.2 requires teams show the ability to provide bonds. This is consistent with Section 5.2(b) which requires the SOQ's to clearly show the team is "capable of obtaining payment and performance bonds in the amount of at least \$350 million..."

- (1) Why is MDOT requiring performance bonds in addition to the Letters of Credit the lenders will mandate in order to finance such a P3 project?
- (2) If the requirement is due to state law regulations, has MDOT considered getting special legislation to remove this requirement?
- (3) If this requirement will not be removed, will MDOT require 100% bonding on the proponent's eventual RFP proposal, or will this requirement be capped at \$350m?

Answer:

- (1) The letter of credit for construction and the performance bond serve two different purposes. The letter of credit ensures that MDOT has a source of revenue to complete the project should the Developer (concessionaire) default. The performance bond protects the Developer should the lead contractor default in performance.
- (2) Section 65-43-3(3) of the Mississippi Code of 1972 (which can be found at <http://michie.com/mississippi/lpExt.dll?f=templates&eMail=Y&fn=main-h.htm&cp=mscode/13672/14659>) allows MDOT some flexibility in determining the security it requires for the contract and the project.
- (3) The RFP will probably require that the lead contractor have a performance bond in the amount of construction costs and that amount will vary depending on the Developer's design and staging (it may be less or more than the \$350m). The initial LOC will probably be in the amount of the Project costs (construction costs, ROW, and utility relocation). All of these requirements will be set forth in more detail in the RFP.

Question: Section 3.1 does not specify the number of Proponents that MDOT will Short List. What is the number of Short List Proponents MDOT expects to qualify and invite to propose to the RFP. If MDOT will not specify before SOQ's are received, please elaborate on the process MDOT will eventually follow in determining the number of Short Listed Proponents once SOQ's are received.



Answer: As stated in the legal notice, MDOT intends to short-list three (3) or four (4) qualified Responders, who will be invited to respond to the RFP. The selection criteria that will be used by MDOT to shortlist Responders can be found in Section 5 “Evaluation Process and Criteria” of the RFQ.

Question: Section 3.1 is silent on the issue of whether MDOT will pay a stipend during the RFP process. Owners paying stipends to unsuccessful yet compliant RFP proposals are considered standard in the DB and especially the P3 industry. Please clarify if MDOT will pay such a stipend and the amount of such. If MDOT has yet to make this decision, please elaborate on the process and issues MDOT will consider in making this decision.

Answer: A stipend will not be paid on this project.

Question: Section 2.5 states MDOT has obtained approximately 45% of the ROW, and will continue ROW acquisition activities during procurement.

- (1) What status of the ROW acquisition (i.e. % acquired) does MDOT envision at time of Contract award?
- (2) Of the parcels not acquired at the time of Contract award, please elaborate on the level of risk expected to be taken by the Proponent (i.e. schedule risk; hard costs – payments to landowners and risk of increases; soft costs – appraisals, title check, negotiations, relocations, lawyers, trial witnesses, etc.)

Answer:

- (1) The ROW acquisition status (% acquired) will depend on current activities and other factors as well. MDOT is unable to tell at this time what the percentage acquired will be.
- (2) With the exception of eminent domain, all risk will be on the developer after closing of the agreement. This will be set forth in more detail in the RFP.

Question: What are the requirements for a consultant to do design and CE&I work in Mississippi? We are interested in pursuing the Airport Parkway Project and would like to be on your list of pre-qualified consultants.

Answer: Contact the Board of Licensure for PE and LS to ensure that you can do business in Mississippi. MDOT does not pre-qualify.



Question: Is there a process for obtaining a copy of the design Drawings from MDOT?

Answer: Instructions on how to retrieve the design drawings will be provided at the mandatory Pre-SOQ Workshop, scheduled in Jackson, Mississippi for July 1, 2008. You are encouraged to register for the Pre-SOQ Workshop using the on-line form provided at theairportparkway.com.