



County of Fairfax, Virginia

Richmond Highway BRT Executive Subcommittee

September 27, 2017





Agenda

- **Introductions**
- **Project Delivery**
- **Alternative Project Delivery**
- **Branding**
- **Community Advisory Group Membership**
- **Q&A**
- **Adjourn**





Project Delivery

- **BRT involves both capital improvements and long-term operations & maintenance**
- **Creates the opportunity to procure everything in one package, i.e., alternative delivery, or to procure the pieces separately**
- **Project team will compare and evaluate implementation through traditional and alternative delivery methods**
- **Identifying a procurement strategy requires clear identification of:**
 - Policy and procurement goals
 - County resources and risk preferences



Project Delivery

- **Over time, delivering a new project entails the performance of a sequence of tasks:**
 - **Procurement** – procurement of designers, builders, and possibly operators and maintainers
 - **Design** – project engineering
 - **Construction** – construction
 - **Funding/Financing** – assuring adequate funds are available for the current and future phases
 - **Operate** – operating the project perpetually
 - **Maintain** – short and long-term lifecycle maintenance of the completed project
- **Tasks can be performed by the project sponsor, a privately contracted entity, or both**
- **Traditionally, the tasks are delivered in discretely and sequential packages, i.e., “design-bid-build”**
- **Alternatively, tasks can be combined into larger packages**



Traditional Project Delivery vs. Alternative Project Delivery

Traditional Project Delivery

- Separately procured phases; project design, right of way acquisition, and utility designation is completed before the project moves into the construction phase
- Highly specified contracts; owner specifies the exact project requirements.
- Monthly payments to contractors based on the percentage of the work completed.
- Private financing limited to relatively modest levels of working capital.
- Project stewardship by the public sector or a contract management firm. Overall control of project execution rests with the public sector owner.

Alternative Project Delivery

- Integration of two or more phases of a project; can include providing operating, maintenance and lifecycle services
- Performance focused contracts in which the deliverables are specified in terms of project outcomes; gives leeway for private sector partner to innovate.
- Performance based payment mechanisms; often milestone based or at completion of construction.
- Potential private financing.
- Private sector stewardship (with limited public sector oversight) whereby overall control of project execution is transferred in whole or in part to the private sector partner.



Potential Benefits of Alternative Delivery

- **Innovative design and means and methods**
- **Fixed price contract; long-term cost certainty**
- **Condensed delivery schedule**
- **Performance based contracting approach leads to smoother operations**
- **Lifecycle cost focus**
- **Leverage private funding**



Potential Problems With Alternative Delivery

- **Significantly more time spent upfront preparing the bid documents**
- **Public input process will be different than citizens have come to expect in design, bid build**
- **More likelihood of unanticipated items outside of scope of project**
- **Potential for cost increases and schedule delays**



Description of Delivery Alternatives

	Design Bid Build	Design Build	Design Build Finance	Design Build Operate Maintain	Design Build Finance Operate Maintain
Description	<ul style="list-style-type: none"> • Traditional procurement method for state and local governments based on low bid • Private sector will be responsible for construction • Public sector will be responsible for: <ul style="list-style-type: none"> • Project design • Sufficiency of revenues • Right of way acquisition • Project financing • Operations and recurring maintenance • Life cycle • Revenues 	<ul style="list-style-type: none"> • Single design-build contract • Selection of design/builder based on best value • Private sector takes majority of design and construction risk • Public sector may be responsible for: <ul style="list-style-type: none"> • Operations and recurring maintenance • Life cycle • Revenues 	<ul style="list-style-type: none"> • Single design-build contract • Private sector finances construction; public sector compensates the private sector over a typical 5 to 7 year period post-construction • Periodic rolling contracts • Public sector retains responsibility for: <ul style="list-style-type: none"> • Operations and recurring maintenance • Life cycle • Revenues 	<ul style="list-style-type: none"> • Single design-build contract • Private operations and recurring maintenance contracts • Potential for private sector responsibility for non-recurring maintenance <ul style="list-style-type: none"> • Maximum 15-year term • Periodic rolling contracts • Public sector responsible for financing and revenues 	<ul style="list-style-type: none"> • Private sector responsible for project financing, design, construction, long-term operations, recurring maintenance and life cycle • Public sector keeps revenue and is responsible for fare policy and determining operational standards • Private sector paid availability payments based on the availability of the project <ul style="list-style-type: none"> • Availability payments are performance based and subject to deduction for poor performance



Alternative Delivery Options

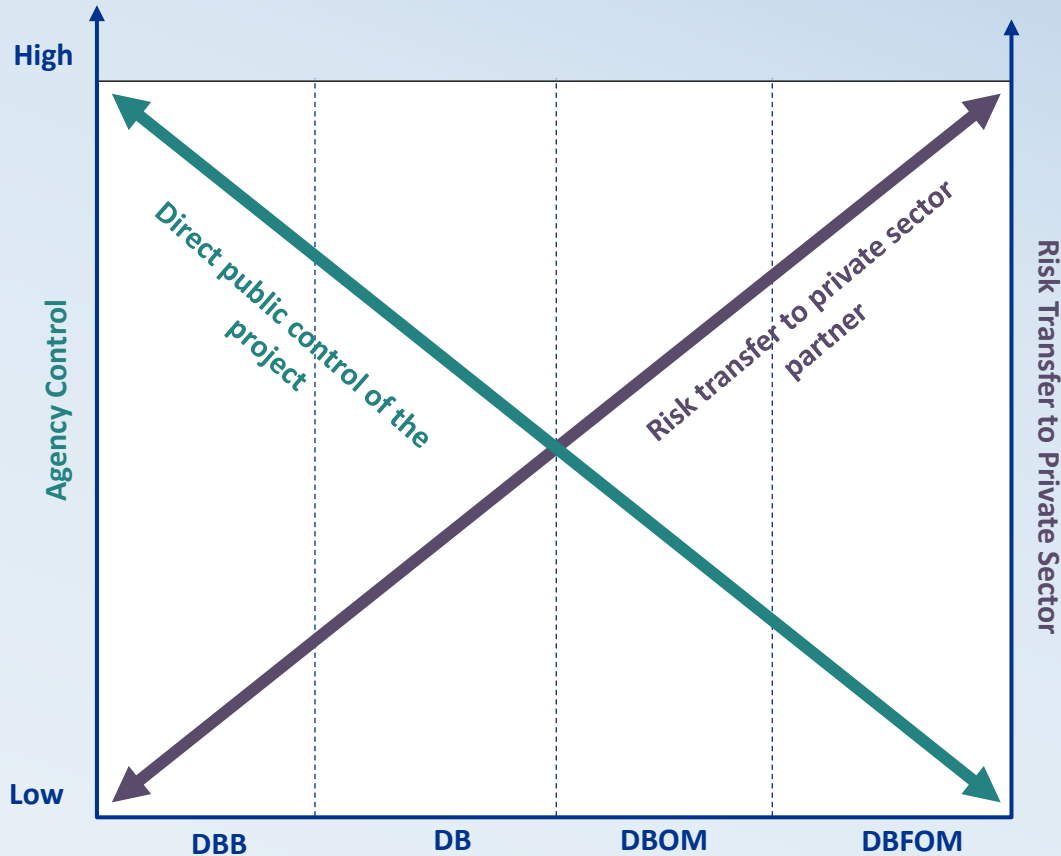
	Design	Construction	Financing	O & M	Ridership
Design Bid Build – Traditional	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design Build	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design Build Finance (Contractor Finance)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design Build Operate Maintain	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Design Build Finance Operate Maintain (Availability Payment)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Design Build Finance Operate Maintain (User Fee)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Responsibility of the Private Sector

Responsibility of the Public Sector



Risk Transfer



- ### Examples of Project Risks
- Planning, design, engineering
 - Regulatory approvals and permits
 - Geotechnical/Site conditions
 - Hazardous substances
 - Financing risk
 - Project costs and schedule delays
 - Construction and materials
 - Construction defects
 - Contractor insolvency
 - Operations risk
 - Performance risk
 - Demand risk
 - Revenue risk
 - Land acquisition
 - Community concerns

Developing the most appropriate and acceptable balance of risk and control requires careful consideration of tradeoffs.



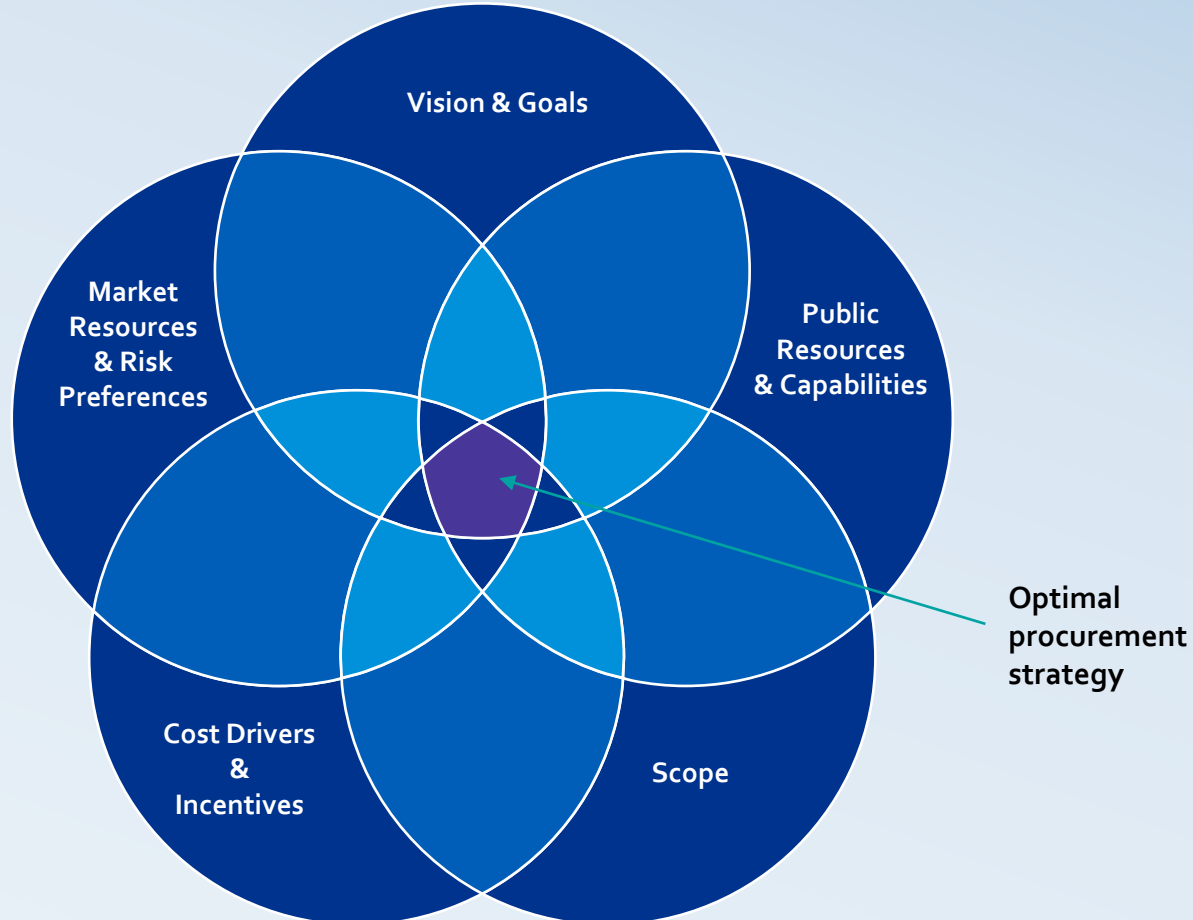
Delivery Alternatives: Benefits & Considerations

	Design Bid Build	Design Build	Design Build Finance	Design Build Operate Maintain	Design Build Finance Operate Maintain
Benefits	<ul style="list-style-type: none"> • Familiarity and widespread acceptance • Design and completion control is maintained fully by the public sector • Potential for lower financing costs • Better equipped for incorporating public input • Public sector is likely to more sensitive to community concerns, particularly with land acquisition and relocations 	<ul style="list-style-type: none"> • Single entity responsible for integrated design and construction • Transfer of design and construction risk 	<ul style="list-style-type: none"> • All DB benefits • Performance based payments • Smaller projects can often easily use this model; more difficult for larger projects given the 5-7 year repayment period 	<ul style="list-style-type: none"> • Integration of operational considerations into design & construction • Lifecycle focus incentivizes innovation • Major maintenance cost responsibility transferred to the private sector 	<ul style="list-style-type: none"> • All DBOM benefits • Accelerated project delivery may be achieved • Risk transfer highest with a single point of responsibility managing risks.
Considerations	<ul style="list-style-type: none"> • Limited risk transfer can lead to change orders and cost/schedule overruns • Design liability and performance risk is assumed by the public sector • Lack of price certainty 	<ul style="list-style-type: none"> • Reduced control of both design and construction • Change orders can result from construction scope changes (albeit less than DBB) • Public input process is more challenging • Significantly more time spent upfront 	<ul style="list-style-type: none"> • Reduced control of both design and construction • Deferred payments are required to be paid by the public sector typically over a period of 5 to 7 years • Public input process is more challenging • Potential for higher borrowing costs from 	<ul style="list-style-type: none"> • Reduced control of design, construction, and operations • Not appropriate for smaller projects due to overhead costs • Long-term pricing may be hard to negotiate • Public input process is more challenging • Requires consortium 	<ul style="list-style-type: none"> • All DBOM considerations • Potential for higher borrowing costs from private sector debt and equity • Lack of familiarity with the model can cause uncertainty and delays • Public input process is more challenging



Procurement Strategy Considerations

- **Building the case for a new vision**





Project Delivery Next Steps

- **Develop PowerPoint project delivery primer for FCDOT staff**
- **Facilitate a delivery options workshop. Topics include:**
 - High-level overview of alternative delivery primer content
 - Fairfax County's procurement objectives, priorities, risk tolerance
 - Develop and memorialize project delivery screening criteria
 - Identify potential regulatory, policy, statutory, and/or financial constraints
 - Evaluate viability of selected delivery alternatives against screening criteria
- **Develop a Delivery Options white paper that includes:**
 - Alternative delivery primer content
 - Fairfax County's procurement goals, priorities, and risk tolerances
 - Detail the options workshop screening criteria used and the workshop results
 - Develop short, medium, and long term implementation plan to help Board of Supervisors come to a procurement decision



Branding Overview

- **Branding is more than a logo**
- **The brand will bring the service to life and will help frame and position the BRT Program and the BRT service with the community, the stakeholders, and target audience**
- **Steps for branding**
 - Establish vision for the project
 - Translate this into a brand identity and messaging
 - Test with key audience groups, refine as needed





Branding Challenges

- **Branding – is first and foremost – a marketing/communications and customer-first process**
 - Is foundational to the customers, the community and Fairfax County (Connector)
 - Must include representatives from all target audiences, stakeholders and constituencies
- **Timing of Project/BRT branding**
 - Experience shows earlier the better
 - Creating a brand makes it “real” and starts to build equity (excitement) about the service – even in face of the pain of construction
- **Transparency in developing the brand is key**
 - All target audiences, stakeholders and constituencies must feel heard
 - Even if their suggestions, requests or “asks” are not incorporated



Branding Approach

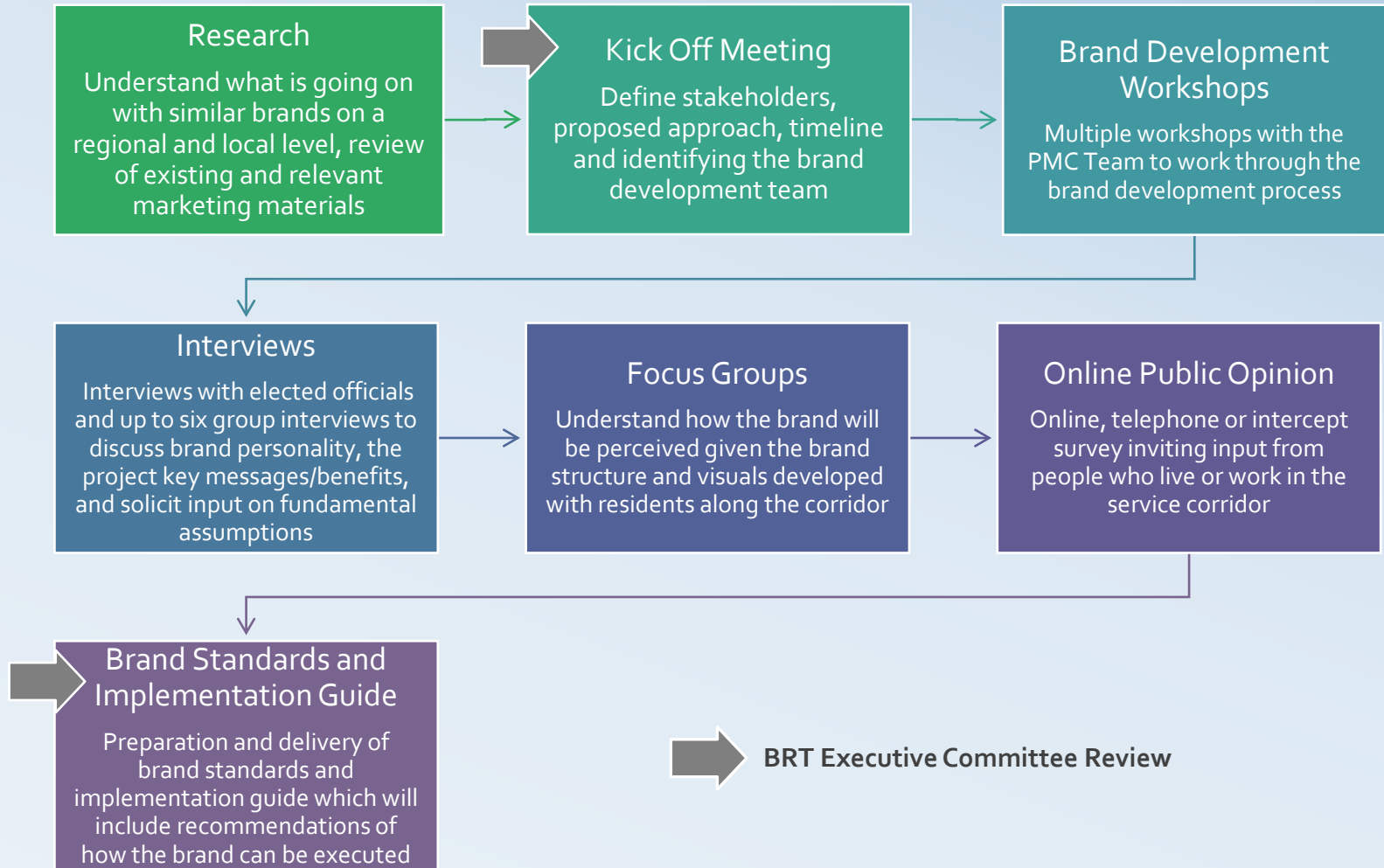
- **Build a trustworthy relationship with each of the audiences**
- **Listen. Listen. Listen.**
- **Understand their circumstances**
- **Describe the project vision (and ultimately the BRT service) in their terms**
- **Commit to communicate and keep the promise**
- **Build equity in the relationship – value**
 - Those we work with and listen to today may become the customers and (hopefully) brand advocates in the future







Branding Schedule & Process





Community Advisory Group (CAG)

- **Function as advisors to the Technical Advisory Committee**
- **Provide input on BRT issues such as community impacts, station concepts, and desired branding**
- **FTA public involvement requires that all groups within a corridor be represented and allowed to participate in community involvement**
- **Existing Embark Advisory Group will need to be modified to meet FTA requirements**





Existing Embark Advisory Group Membership

Organization on Embark Advisory Group	Members	
Southeast Fairfax Development Corporation (SFDC)	6	
Current Planning Commissioner	3	
Former Planning Commissioner	2	
General District Representative	2	
Civic Association	1	
Total	14	



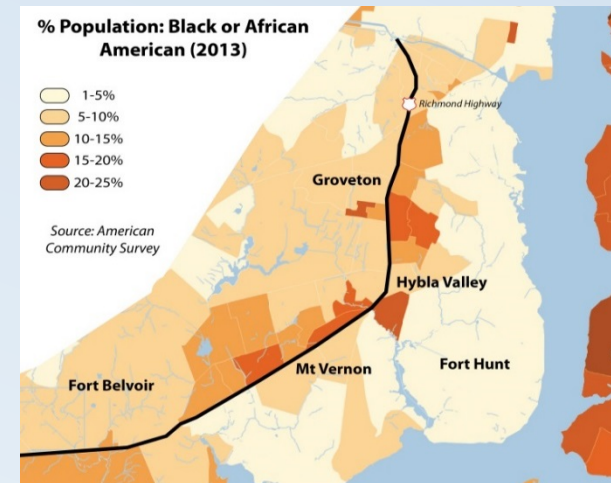
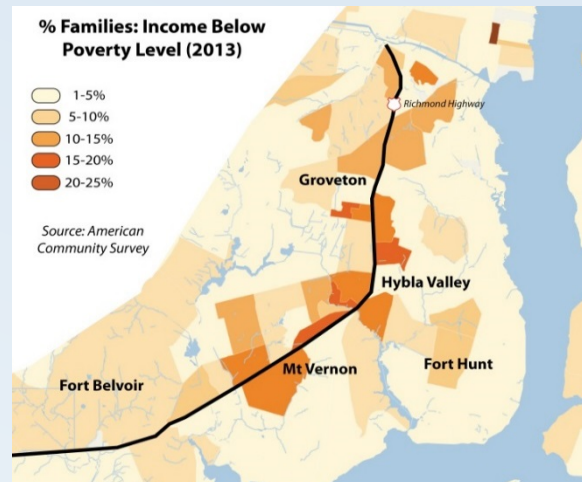
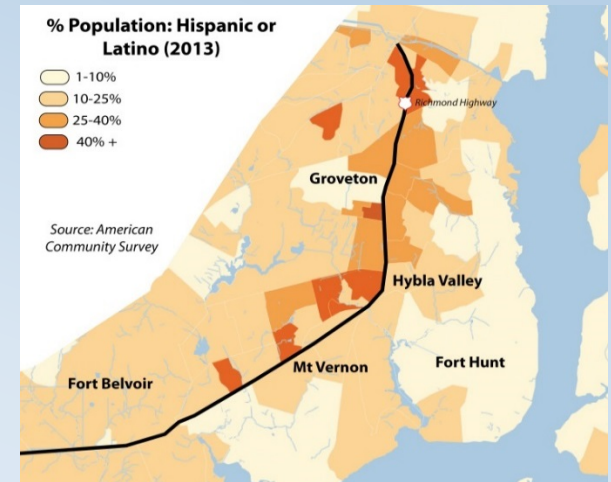
FTA Requirements for Funding Grant Recipients

- Title VI and Environmental Justice
 - FTA/FHWA (Federal Highway Administration) joint planning regulations (23 CFR part 450) require States and MPOs engaged in planning activities to seek out and consider the needs and input of the general public, **including interested parties and those traditionally underserved by existing transportation systems, such as minority and limited English proficient (LEP) persons**, who may face challenges accessing employment and other services, as States and MPOs develop and conduct their public involvement activities.
 - Grant recipients that have transit-related non-elected planning boards, **advisory councils**, or committees, **the membership of which is selected by the recipient, must provide a table depicting the racial breakdown of the membership of those committees, and a description of efforts made to encourage the participation of minorities on such committees.**



Engage Low Income and Minority Groups in the CAG

- **Trusted community leaders**
- **Schools**
- **Churches**
- **Community events**
- **Bilingual communication**





CAG Areas to Consider

- **Affordable Housing and Social Service Groups**
- **Environmental and Smart Growth Advocacy Groups**
- **Home Owner Groups**
- **Business/Chamber Groups**
- **Historic Societies**



Richmond Highway Demographics

Body	Caucasian	Latino	African American	Asian American	Native American or Native Pacific Islander	Other
Total Population*	32%	31%	24%	9.1%	0.2%	3%
Citizen Advisory Council (Recommended)	28%	28%	31%	10%	1%	2%
* 2015 ACS data (1/2 mile radius adjacent to Richmond Hwy)						



Suggested Parameters to Consider for CAG

- **12-15 representatives**

Organization	# of Representatives	Example Organizations
Business/Chamber Groups	3	SFDC, Mount Vernon-Lee Chamber of Commerce
Environmental/Smart Growth Advocacy Group	2	
Home Owner/Civic Assoc.	5	MVCCA, Gum Springs, etc. (Associations located along CBC's on the corridor)
Disability Community Representative	1	
Minority/Non-Profit Groups	4	
Total	15	



Next Meeting/Questions/Comments

- **Next meeting Spring 2018**

Agenda Items - FTA discussions, NEPA Update, Project Progress

