

transportation

HIGHWAYS

Florida Awards Groundbreaking Highway Contract

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By Deb Wood

The Florida Dept. of Transportation has tapped a team led by ACS Infrastructure Development Inc. (ACSID), Coral Gables, Fla., to design, build, finance, operate and maintain for 35 years the \$1.8-billion I-595 Corridor Improvement Project. The approximately 10.5-mi Interstate 595 project in Broward County will add three reversible express variable toll lanes at grade in the median and additional auxiliary lanes, reconstruct entrance and exit ramps to remove merge conflicts, connect a frontage road between Davie Road and State and implement a bus rapid transit system. FDOT anticipates a summer 2009 start, with work to wrap up in 2014.



FDOT's Wolfe (left) and ACS's Santamaria inspect site

"There is no road project like this in the history of FDOT," says FDOT District 4 Secretary Jim Wolfe. "We will deliver these express lanes and braided ramps and all of the improvements 16 years earlier than projected, and we are doing it at a present-day project cost of \$275 million less than conventional [design-bid-build]."

FDOT posted a notice of intent to award on Oct. 24, 2008, selecting the Spanish-led consortium ACSID as Best Value Proposer. A joint venture between Dragados USA Inc of New York and Grandi Lavori Florida (GLF Construction Corp.) of Miami serve as lead contractors. Earth Tech of Miami is the lead engineering firm. ACSID is the equity partner and responsible for operations and maintenance.



New I-595 will include toll lanes and bus rapid transit

Wolfe pegs construction costs at about \$1.2 billion – \$275 million less than the department internally estimated. Both bidders modified the original plans from Reynolds, Smith and Hills (RS&H) of Jacksonville, the owner's representative for design. "They provided some innovation in their design, and they did maximize the use of existing structures and pavement," says Joe Borello, FDOT project manager. "They reduced quite a bit of walls and bulk heading along the canal."

More than 100 FDOT employees and consultants spent a month reviewing ACSID's bid and another from Express Access Team (EAT) of San Francisco. The bidders submitted thousands of plan sheets and plans on Sept. 6, 2008, says Phil Schwab, RS&H project manager. The FDOT team scored the bids for technical, financial and annual maximum availability payments (MAP). "We recalculated every curve, every elevation, checked the standards, the lane widths, the structural design, the utility clearances in detail," Wolfe says.

Wolfe praised both bidders as having submitted solid designs, but the bid from EAT came in substantially higher. It had an annual MAP of \$144.49 million vs. ACSID's \$63.98 million, something Wolfe attributes to its concern about risks. PB Americas, Tampa, was EAT's lead engineering firm and the lead contractor was a joint venture of PCL Civil Constructors of Tampa and Archer Western Contractors, Jacksonville, Fla. EAT scored higher on its technical plan, but the MAP score and higher construction cost of more than \$2 billion dominated the final total score. FDOT evaluators priced out the proposed changes and found that the ACSID plan came in close to the agency's unit prices.

State long-range work funds are budgeted for the project. FDOT does not begin paying for the I-595 enhancements until the job is 100% finished, then lump sum payments totaling \$685 million begin. They are spread out over seven years. Any delays in permitting, utility or right-of-way clearance, or construction will cost the concessionaire. "There is a huge incentive to get it done as quickly as possible with quality," Schwab says.

The state will receive funds from the time-of-day toll rates, which are not yet determined. Gerry O'Reilly, director of transportation development for FDOT district 4, says FDOT plans to maximize throughput on the roadway rather than the toll revenue. "Probably in 15 or 20 years, the tolls will start paying off the availability payment and turn a profit," Wolfe says.

To receive its availability payments, the concessionaire must ensure the road remains available and maintained to the standards FDOT set or the state deducts money from the payment. "There's a guarantee for 35 years you are going to get what you wanted for a set price," O'Reilly says.

Juan Santamaria, chief operating officer for ACS Infrastructure Development Inc., Coral Gables, Fla., says an initial challenge will be "to reach financial close in the current market conditions. But we are confident that the experience of all the parties involved in the process will ease this first step." He notes that Macquarie Group, the Australian bank known for its public-private partnership deals, is the group's financial advisor.



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