



Public-Private Partnership (P3) Handbook

Office of Comptroller (OOC)
Project Finance Office (PFO)
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Public-Private Partnerships (P3) Handbook

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1) Acronyms & Abbreviations

Please use the below table as a guide for referencing acronyms and abbreviations in the Public-Private Partnerships (P3) Handbook.

ACFR	Annual Comprehensive Financial Report	IRR	Internal Rate of Return
AR	Accounts Receivable	LFA	Local Fund Agreement
BF	Build-Finance	MFMP	MyFloridaMarketPlace
CAPEX	Capital Portion of the Availability Payment	MICR	Magnetic Ink Character Recognition
CAS	Cash Availability Schedule	MPO	Metropolitan Planning Organization
CFM	Contract Funds Management System	NEPA	National Environmental Policy Act
CO	Central Office	O&M	Operations and Maintenance
DB	Design-Build	OGC	Office of General Counsel
DBB	Design-Bid-Build	OMB	Office of Management & Budget
DBF	Design-Build-Finance	OOO	Office of Comptroller
DBFOM	Design-Build-Finance-Operate-Maintain	OPEX	Operations and Maintenance Portion of the Availability Payment
DFS	Department of Financial Services	OWPB	Office of Work Program and Budget
DMS	Department of Management Services	P3	Public-Private Partnership
DOO	Disbursement Operations Office	PABs	Private Activity Bonds
EFT	Electronic Funds Transfer	PDC	Present Day Cost
F.S.	Florida Statutes	PFO	Project Finance Office
FAC	Florida Administrative Code	PMO	Production Management Office
FAM	Federal Aid Management	RFP	Request for Proposals
FAP#	Federal Aid Project Number	RFQ	Request for Qualifications
FDOT	Florida Department of Transportation	SIB	State Infrastructure Bank
FHWA	Federal Highway Administration	SIS	Strategic Intermodal System
FIDO	FLAIR Information Delivery Options	SOQ	Statement of Qualifications
FM	Financial Management	SPV	Special Purpose Vehicle
FMIS	Fiscal Management Information System	STIP	State Transportation Improvement Plans
FMO	Financial Management Office	STTF	State Transportation Trust Fund
FPRA	Finance, Program and Resource Allocation Office	TFC	Transportation Financing Corporation
FTE	Florida Turnpike Enterprise	The Division	The Division of Bond Finance
FY	Fiscal Year	TIFIA	Transportation Infrastructure Finance Innovation Act
GAO	General Accounting Office	TIP	Transportation Improvement Plans
GARVEE	Grant Anticipation Revenue Vehicles	UAO	Utility Agency Owner
GASB	Governmental Accounting Standards Board	WPD	Work Program Development Office

2) Purpose of the P3 Handbook

The purpose of the P3 Handbook is to provide guidance to Districts/Turnpike and Central Office on the implementation of P3 projects. The P3 Handbook is a compendium of best practices,

lessons learned and processes that pertain to P3s. The P3 Handbook will be updated annually by January 1st, or on an as needed basis depending on the nature of the change. Please contact the Office of the Comptroller – Project Finance Office (OOC-PFO), Project Finance Specialist if you have new information for the P3 Handbook or would like to modify existing information. The P3 Handbook can be found on the [P3 SharePoint Site](#).

3) Authority and Key References

The following statutory, rule references, and Work Program Instructions pertain to P3s:

- Section 334.30, F.S., Public-Private Transportation Facilities (FDOT's P3 Law)
 - Provides authorization and a comprehensive framework for transportation public-private partnerships that includes but is not limited to: facility ownership, toll revenue regulations, procurement, unsolicited proposals, cost-effectiveness analysis, contract term length, and 15% cap.
- Rule 14-107.0011, Florida Administrative Code (FAC)
 - Establishes the \$50,000 fee payable to FDOT for unsolicited public-private partnership transportation facility proposals.
- Section 339.2825, F.S., Approval of Contractor-Financed Projects
 - Details the 14-day notification and approval process to the Governor and Legislature as a prerequisite to advancing programmed P3 projects.
- Section 339.139, F.S., Transportation Debt Assessment
 - Establishes 20% debt limitations to ensure the fiscal integrity of the State Transportation Trust Fund (STTF).
- P3 SharePoint Site
 - Provides legislative references and guidance related to P3s as well as a list of P3 project websites.
- FDOT's Internet P3 Website
 - FDOT's Internet P3 Website provides information related to the P3 proposal process, a summary of P3 projects, statutory references, links to related topics and guidance related to P3s for stakeholders and the general public.
- Major Project Financial Plans SharePoint Site
 - Identifies the process for developing a Major Project Financial Plan as well as provides a listing of major projects that require a Major Project Financial Plan.
- Florida Express Lanes Handbook
 - Identifies and outlines the Statewide Express Lane network as well as the statewide procedures to collect data, perform research, and measure performance to manage and operate managed lane facilities more efficiently.

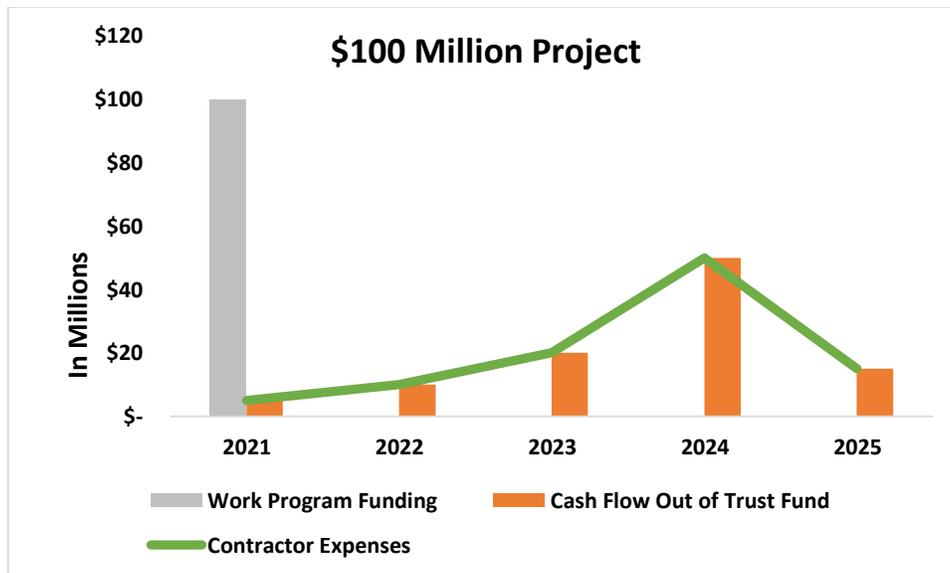
4) FDOT's Traditional Approach to Funding Projects

FDOT, in conjunction with local Metropolitan Planning Organizations (MPO), plan for future transportation projects in the 5-Year Work Program and 10-Year SIS Plan. The Work Program

acts as a guide for future legislative budget requests. Although FDOT has 5 and 10-year planning horizons, budget requests are for one year. Funding is allocated based on statutory requirements which is then subsequently programmed on projects. Projects are funded through a variety of sources: state gas taxes, documentary stamp revenue, federal, toll revenue, motor vehicle fee revenue, and local funding.

For traditional projects, FDOT must have all the budget in the year of contract award, but not necessarily the cash. This is called operating on a cash flow to commitment basis. Sophisticated models and systems are in place to manage FDOT’s overall finances and to ensure that the cash is available in the STTF when it is needed. The graph below is an example of a project that is traditionally funded and procured by FDOT. The sample project was awarded in FY 2021 and is paid out on a pay-as-you-go basis (as the P3 contractor bills FDOT for certified expenditures).

Figure 1: Traditionally Funded \$100 Million FDOT Project



For more information on operating on a cash flow to commitment basis, please visit Office of Comptroller – Financial Management Office (OOC-FMO), Cash Forecast Section’s [SharePoint Site](#).

For traditionally funded projects, FDOT has several bonding programs to help finance individual projects or the overall Work Program. More information on the bonding programs in the table below can be found in the annual Debt and Debt-Like Financing Report.

Table 1: Bonding Programs

Bond Program	Constitutional Reference & F.S.	Revenue Pledge	Term of Bonds	Type of Bond
Right-of-way acquisition and bridge	s. 17, Art. VII s.215.605, F.S.	Motor fuel or diesel fuel taxes	30 years	General Obligation: Full Faith and Credit of the State

construction bonds				
GARVEE Bonds	s. 11 Art. VII s.215.616, F.S.	Federal funds	Up to 12 years (per F.S.)	Revenue Bond
Fixed-guideway as defined in s.341.031, F.S.	s. 11 Art. VII s.215.615, F.S.	Funds available pursuant to s.206.43(3), F.S., or other funds available to the project subject to appropriation	Useful life of the asset shall equal or exceed the Maturity date (per F.S.)	Revenue Bond
Toll Revenue Bonds for High Occupancy Toll Lanes/ Express Lanes	s. 11 Art. VII s.338.166, F.S	Toll revenues	Up to 30 years	Revenue Bond
Toll Revenue Bonds for FDOT owned Facilities	s. 11 Art. VII s.338.165, F.S	Toll revenues	Up to 30 years	Revenue Bond

Right-of-way Acquisition and Bridge Construction (Right-of-way) These are the primary bonding programs utilized to support the Work Program. Right-of-way Acquisition and Bridge Construction bonds may also be used to finance eligible projects in the Work Program. This bond program primarily operates on a reimbursement basis, with proceeds reimbursing STTF for prior expenditures. These bonds can also be issued in advance of the expenditures for eligible projects.

Grant Anticipation Revenue Vehicles (GARVEE) bonds are used to fill funding gaps in financing the overall Work Program. GARVEE bonds may be issued on a programmatic basis, known as indirect GARVEE bonds. The first indirect GARVEE bonds were issued on October 10, 2019. GARVEE bonds can also be used to finance an eligible project, otherwise known as direct GARVEE bonds. Currently, FDOT does not utilize direct GARVEE bonds for this purpose.

Fixed-Guideway bonds can be used to finance the construction, addition, or reconstruction of fixed-guideway (rail) facilities. Each bonded project must be approved by the Legislature. FDOT has not issued these types of bonds to date.

Toll Revenue bonds secured by toll revenues collected and are issued on:

1. FDOT owned non-Turnpike tolled facilities, excluding high-occupancy toll lanes and express lanes, to fund transportation projects on the facility or on the State Highway System located within the county or counties in which the facility is located. Projects must be contained in the Adopted Work Program. Alligator Alley and Sunshine Skyway are currently the only FDOT owned facilities with outstanding bonds.
2. High occupancy toll lanes / managed lanes on FDOT owned non-Turnpike facilities to fund transportation projects on the facility or located within the county or counties in which the toll revenues were collected.
3. The Division requires debt service on bonds to be structured as a level payment.

FDOT finances projects on a program-wide basis and does not normally make special accommodations for the thousands of different projects within the Work Program. At times,

special projects are unique and do not fall within the traditional approach to financing projects. These projects may include projects ready before funding is available; projects with cost of construction exceeding traditional funding allocations; or projects that can be grouped to save money.

Other Financing Tools. In addition to FDOT's bonding programs that may be considered for these projects, FDOT may also consider:

- [State Infrastructure Bank Loans \(SIB\)](#)
- [Transportation Infrastructure Finance Innovation Act \(TIFIA\) Loans](#)
- [Florida Department of Transportation Financing Corporation \(TFC\)](#)
- [Public-Private Partnerships](#)

P3s should be considered more than just a financing solution, but an alternative procurement and project delivery method that allows for innovation and risk transfer.

5) P3 101

Since 2007, FDOT has advanced 16 P3 projects totaling \$7.4 billion in design and construction. [FDOT's P3 Law](#) provides authority to advance projects in the 5-Year Work Program or in the 10-Year SIS Plan if greater than \$500 million using funds provided by P3s or private entities to be reimbursed from FDOT. This allows a project to be advanced without having all the budget in the year of contract award, which may require P3 contractor financing. P3 projects have ranged from \$72 million to \$2.3 billion.

P3 projects provide additional benefits and increased value by delivering a project sooner that will improve safety and enhance mobility. Additionally, benefits of P3 delivery methods include effective management of FDOT's resources and continued geographic distribution of funding for projects. Mega projects are difficult to deliver using traditional programming due to the total project cost. Using the P3 model enables FDOT to establish a project payout schedule to mitigate severe fluctuations in cash balances and impact to other projects. P3 projects also present an alternative to the negative impacts of allocating most or all of an entire year's allocation to one county or region. Using the P3 model does not impact other projects. They continue to be funded, scheduled and paid concurrently. FDOT's experience and record with delivering P3 projects has confirmed this procurement method enables delivery of very large projects as well as other important projects scheduled in the Work Program.

Structuring mega-projects that are a high SIS priority as traditional pay-as-you-go negatively affect the Work Program by either:

- Taking up most of the resources to fund the mega-project to the detriment of other important projects; or
- Leaving a high priority SIS project severely under-funded while other lower priority projects are built.

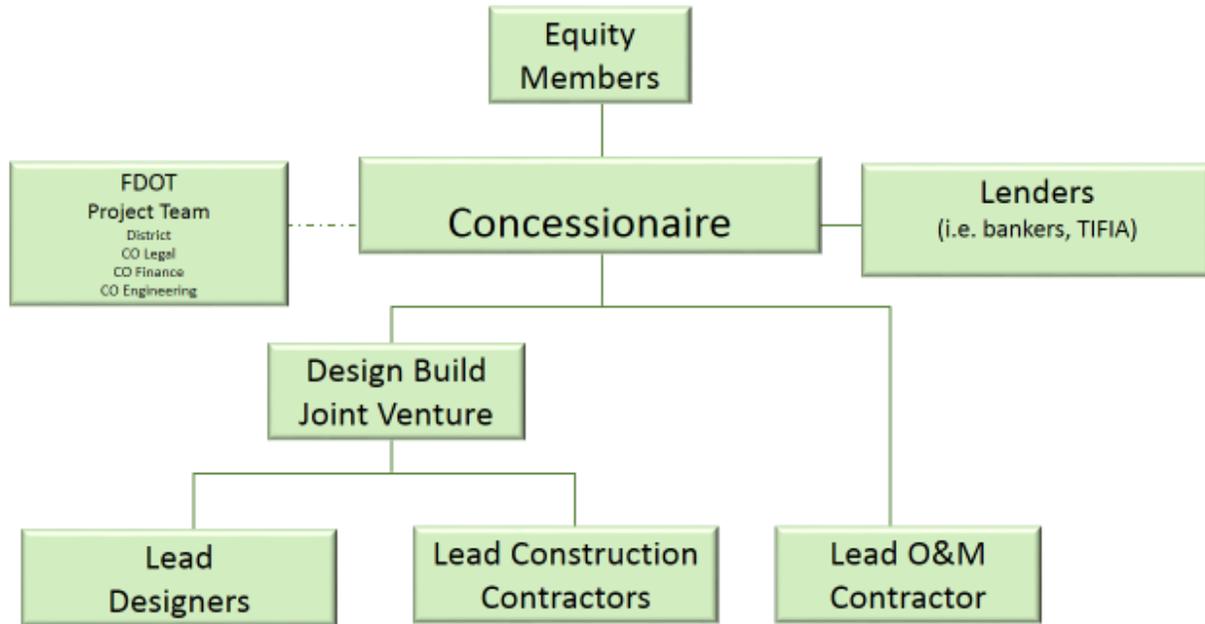
FDOT has used two categories of P3s to date: short-term DBF and BF projects and long-term DBFOM projects with Availability Payments. The key differences are summarized in the table below. A DBFOM project with Toll Risk is a third option available to FDOT and in practice in other states, but it has not been implemented by FDOT to date. So far, the Department has chosen to set toll rates and retain toll revenues on the toll facilities built using availability payment P3s.

Table 2: Differences Between DBFOM, DBF, and BF P3s

Key Differences	Short-Term DBF & BF P3s	Long-Term DBFOM with Availability Payments
Agreement type	Traditional DB agreement	Concession Agreement
Scope	Design and construction or construction only for BF with private financing	Design, construction, financing (private), operations, maintenance, and renewal work
Agreement length	Around 7 years	35 to 40 years
Financing need	Short-term (around 7 years)	Long-term (as long as 40 years, but could be longer)
Years advanced	2 to 3 years	More than 15 years
Design and construction value	\$100 M - \$600 M	More than \$500 M
Payment structure See Section 7 for additional information.	Cash Availability Schedule	Milestone, Periodic, Final Acceptance and Availability Payments

For DBFOM P3 projects, FDOT enters into a concession agreement with a SPV called a concessionaire. The below graph shows the typical organizational structure of a concessionaire.

Figure 2: Organizational Structure of a Concessionaire



Key Features of [FDOT's P3 Law](#):

- *Establishes financial controls:*
 - Cost-effectiveness and public benefit analysis prior to procurement and prior to award
 - Authorizes Availability Payments and requires such payments to be prioritized ahead of new capacity and subject to annual appropriation.
 - Summary of new P3s with the submission of the Tentative Work Program;
 - P3 Projects must be a local MPO priority
 - No more than 15% of federal and state funding in any given year obligated towards P3s (P3 15% Cap).
 - Requires consultation with the Division.
- *Authority to receive unsolicited proposals.* To date, FDOT has only moved forward with one unsolicited proposal which was the U.S. 1 project in District 6.
- *Flexible procurement authority.* [FDOT's P3 Law](#) provides FDOT flexible procurement authority.

Other Statutes and Controls:

- [Section 339.139, F.S.](#), requires a 20% limit on FDOT's STTF debt and debt-like obligations, which includes capital related payments to P3 contractors.
- [Section 339.2825, F.S.](#), requires Governor and Legislative approval of P3 projects advanced under FDOT's P3 Law.
- Capital portion of DBFOM Availability Payments are included in the State of Florida's benchmark debt ratio calculation and the capital value of the P3 projects is treated as a debt obligation (see annual *State of Florida Debt Affordability Report*, published by the Division).
- The unpaid portions of completed work on P3 contracts are recorded in the State of Florida's Annual Comprehensive Financial Report (ACFR) as a liability.

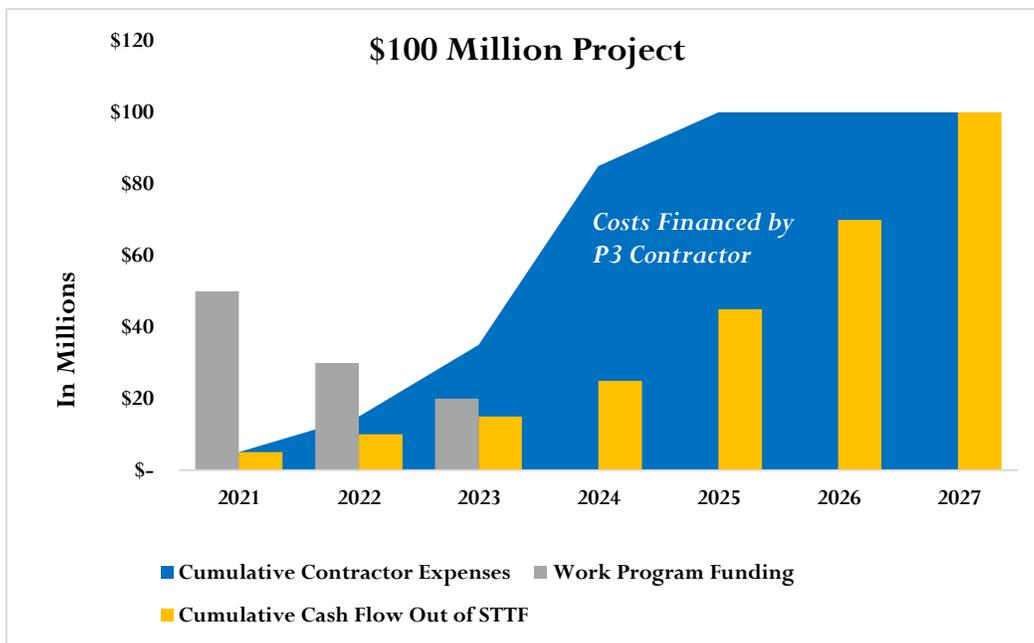
- FHWA requires added oversight and reporting on federalized projects of \$500 million and more, regardless of whether they are P3s (see [Major Project Financial Plans SharePoint Site](#) for additional information).

Types of financing available to P3s:

- [Bank Debt](#)
- [PABs](#) (which require a conduit issuer and an allocation by USDOT) (additional information can be found on the [P3 SharePoint](#) site) – May not be used by a P3 Contractor on a DBF or BF
- [Taxable Bonds](#)
- [Private Placement Securities](#)
- [Equity](#)
- [TIFIA](#)

P3s that require short-term financing include DBFs or BFs. Figure 3 demonstrates how a DBF or BF project might be financed. The Work Program funding (future budgeted amounts) is spread through multiple years of the Work Program, usually on phase 52 and 56. The cash-flowed amounts of the Work Program funding (future budgeted amounts) are presented in a CAS within the contract. The P3 contractor can seek reimbursement from FDOT up to the amounts within the CAS for completed work. Figure 3 is just an example and can be structured a variety of different ways depending on where available funding is programmed in the Work Program.

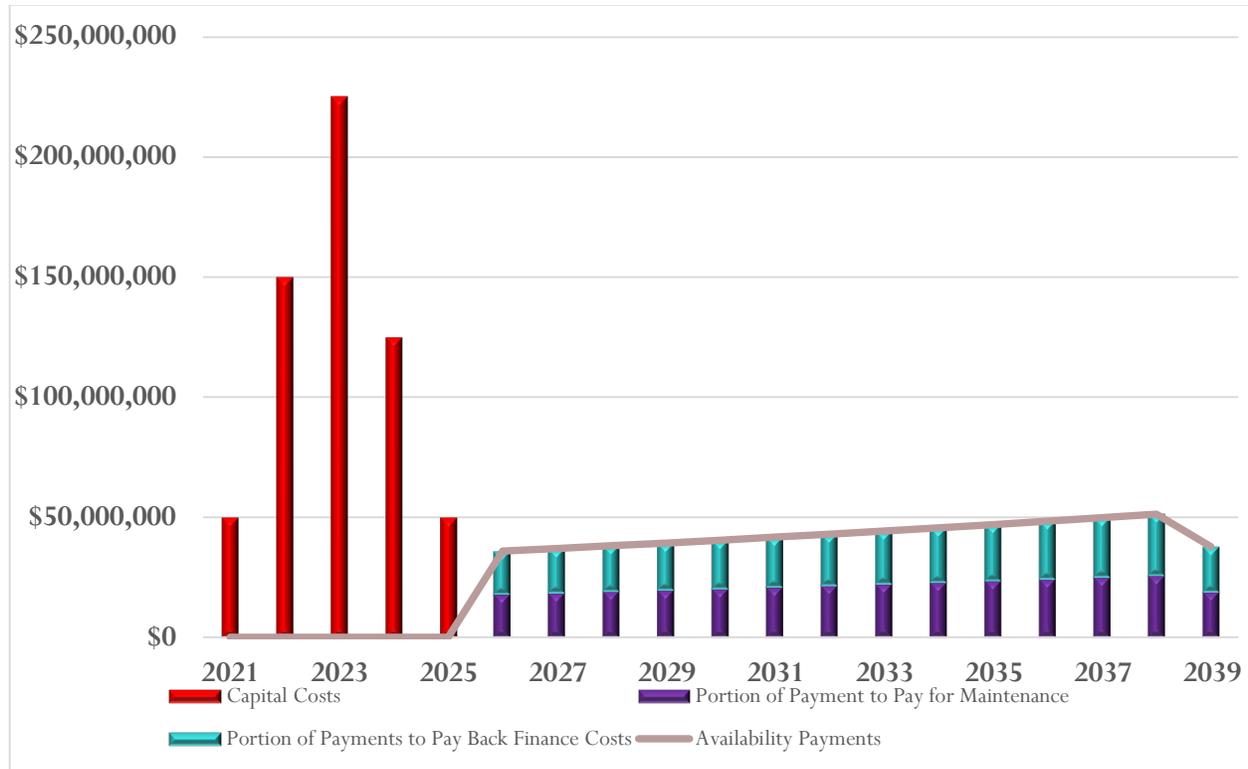
Figure 3: Short-Term Financing for \$100 Million Project



DBFOMs are P3s that require longer-term financing. Figure 4 demonstrates how a DBFOM project is financed. In the example below, FDOT has no budget during construction. FDOT compensates the concessionaire with an availability payment for the construction costs financed, operations and maintenance, and future renewal work. Figure 4 is just an example. The payments

to the concessionaire can be structured a variety of different ways depending on where available funding is programmed in the Work Program.

Figure 4: \$600 Million Construction Project with Availability Payments



6) Potential P3s

The Project Finance Specialist should be notified when a District/Turnpike are determining how to finance a project or considering using [FDOT's P3 Law](#) to advance a P3 project. The OOC-PFO, Project Finance Specialist maintains a list of potential P3s that are being considered. OOC- PFO, will seek management direction prior to analyzing a project.

When discussing a potential P3 with Central Office, it is important to begin gathering data for the items listed below. Most of these items will need to be answered prior to beginning any initial feasibility analysis or cost-effectiveness analysis on the project.

- 1) Map of the project
- 2) Basic project description and features of the project
- 3) Status of traffic and revenue studies if the project is going to be tolled
- 4) MPO prioritization of project
- 5) Initial gauge of stakeholder, local community, and political support
- 6) Status of right-of-way:
 - a. Are all the parcels needed to construct the project purchased?

- b. What is the unfunded right-of-way amount and which years are needed for the right-of-way funding? Unfunded right-of-way means right-of-way costs less right-of-way funding currently programmed.
 - c. Any concerns on the ability to procure remaining parcels of right-of-way?
 - d. Are there any planning activities that may require the purchasing of additional right-of-way?
- 7) Status of environmental approvals, type of decision, date of approval or expected approval, and re-evaluations (re-approval date or expected re-approval date)
- 8) Status of design
- 9) Basis of cost estimates
 - a. Were they developed assuming multiple procurements?
 - b. Were any efficiencies or economies of scale considered by grouping the projects as one larger project?
- 10) Initial cost estimate reviews conducted before National Environmental Policy Act (NEPA) decision and pre-construction if it is a major project over \$500 million (other requirements apply)
- 11) Item segment numbers or item group identifiers for the project
- 12) Existing funding programmed on the project
- 13) The amount and which years District is willing to contribute District allocated funding – if additional funding is needed on the project
- 14) Funding commitments from local entities and when it is anticipated to secure the funding. (Local Funds are required to be on deposit with FDOT and Local Fund Agreement executed prior to encumbering funds.)
- 15) Cost and time impact by not doing the project as a P3
- 16) This District's goals for the project:
 - a. Prioritization of segments if the project has multiple segments
 - b. Construction start date
 - c. Construction end date
 - d. Number of procurements
- 17) Overview of the benefits to the public by doing the project as a P3
- 18) Overview of project risks – see examples:
 - a. Utility conflicts – status of utility locates
 - b. Geotechnical
 - c. Sinkholes
 - d. Environmental
 - e. Technical complexities/ challenges

(Note: Please also refer to Section 14: Cost Effectiveness and Overall Public Benefit and Section 15: Delivery Operations and Financing Alternatives Analysis for key work deliverables completed by PFO.) The Project Summary Template can be found on the [P3 SharePoint Site](#).

7) Types of P3 Payments

FDOT has used a variety of payment mechanisms on P3 projects to help accomplish different objectives and incentivize the P3 contractor for on-time completion. FDOT determines when to use these types of payments depending on what FDOT is trying to accomplish and the type of P3. Special consideration needs to be made regarding the programming of payments in the Work Program and impacts to FDOT's finances. When determining the payment structure on P3 projects, additional guidance should be provided by the Office of General Counsel (OGC) and management due to construction security (surety bonding) requirements.

Payments Typically Used in DBFOM P3s:

Milestone Payments

- Used in DBFOM projects where there is work that has logical and clear completion parts. For Florida P3 projects, these payments have been typically paid for construction work activities during the construction period. These payments helped ensure construction progression as well as lowering the overall private financing needed on the project.
- The PortMiami Tunnel P3 project used Milestone Payments because there were clear points where FDOT could determine completed work for those project elements to earn the Milestone Payments.
- Milestone Payments were considered on I-4 Ultimate with Express Lanes, but it was determined too difficult to identify portions of the project that would be completed to earn the payment.

Periodic Payments

- Used in DBFOM projects to optimize the risk transfer and lower the private financing needed on the P3 project while lowering the overall Availability Payment. These payments are paid during construction and help incentivize construction progress because they are tied to a percentage of work completed on the P3 project.
- I-4 Ultimate with Express Lanes used this payment type due to the amount of funding available during the construction period.

Final Acceptance Payments

- Used in DBFOM projects to help incentivize on-time construction completion of the project. These payments are typically large payments paid when the P3 project reaches final acceptance¹. The concessionaire may have a tranche of debt tied to these payments which will invoke the interest of private lenders and incentivize the on-time completion of the P3 project.
- I-595 Improvements and I-4 Ultimate with Express Lanes used Final Acceptance Payments. PortMiami Tunnel paid a Milestone Payment tied to final acceptance.

¹ Final acceptance is a concept defined in the DBFOM concession agreements and may have variations in the meaning. Final acceptance is generally defined as the occurrence of all events and satisfaction of all conditions set forth in the concession agreement, as confirmed by FDOT's issuance of certificate in accordance with the procedures and within the timeframe established in the concession agreement.

Availability Payments

- The Availability Payment is a periodic fee (e.g., monthly) for providing a service (operations and maintenance) and reimbursement of a portion of capital costs incurred by the concessionaire during construction. Capital costs represent the P3 project's base construction and financing costs that are amortized over the contract's operating term.
- Availability Payments begin after substantial completion has been achieved and are based on the concessionaire's performance in keeping the transportation facility available for use by the traveling public. The concessionaire operates and maintains the facility and is responsible for keeping lanes open.²
- FDOT pays the concessionaire based on the facility being "available" for the use of the traveling public and meeting contractual performance specifications for operations and maintenance. Performance requirements are typically linked that are most important to FDOT, such as safety and lane availability, which are critical to provisions of service.
- Availability Payments are subject to performance deductions for failure to provide the level of service required by the concession agreement.
- The proposer, when constructing the bid, structures the Availability Payment to recover the projected maintenance, operations, renewal work, debt service, and equity distributions. High unanticipated capital costs for renewal work, operations and maintenance costs can eat into the concessionaire's returns on its equity.
- Since the concessionaire is using Availability Payments to repay financing, payments will invoke the interest of private lenders and incentivize on-time completion and a high standard of performance of the P3 project.
- I-595 Improvements, I-4 Ultimate with Express Lanes, and PortMiami Tunnel are examples of Florida P3 projects that have used this payment structure.
- Any excess funds programmed for Availability Payments in the 5-Year Work Program in each FY may be released from the project once all invoices for that FY have been paid. Guidelines with respect to the release of excess funds are as follows:
 - Turnpike Funds (e.g., PKM1) and Local Funds (LF) will not be released at any time, unless directed by the Office of Comptroller in conjunction with the Office of Work Program.
 - District funds (e.g., D) will only be released at the direction of the Statewide Programs Manager in the Office of Work Program.
 - Toll funds (e.g., TOBH, TOBF) will be released at the end of each fiscal year.
 - State funds (e.g., GMR) will be released at the end of each fiscal year.

¹ Substantial completion is a concept unique to DBFOM projects. P3 Concession Agreements generally define substantial completion as when the project is open and available for use (e.g., open to traffic) with the exception of punch list items that must be completed prior to final acceptance. There may be slight variations of the meaning between projects.

Table 3: DBFOM P3s with Availability Payments

P3 Project	Non-Supplemental Agreement Payments During Construction	Construction Security Amount Payment and Performance
PortMiami Tunnel Design and Construction: \$667 million	\$100 million	Payment Bond: 25% of the Design and Construction as set forth in the Financial Model Performance Bond: 10% of the Design and Construction as set forth in the Financial Model
I-595 Design and Construction: \$1.2 billion	\$ 0	\$250 million payment and performance bond
I-4 Ultimate with Express Lanes Design and Construction: \$2.3 billion	\$1.0 billion	\$750 million payment and performance bond

Payments/ Incentives Used in Both DBFOM and DBF/BF P3s:

Bonus

- FDOT uses Bonuses on many projects (P3 and traditional), especially those projects that are in heavily congested areas or where FDOT wants to construct particular elements faster or on-time. Bonuses may also be used to reward the P3 contractor for early completion of a contract. In addition, bonuses may provide an incentive/disincentive aspect which incentivizes the P3 contractor for early completion, but also apply a disincentive for failure to complete a project on time.
- I-595 Improvements and I-4 Ultimate with Express Lanes have used Bonuses to incentivize early completion of certain portions of the P3 projects. In addition to these DBFOM projects, DBF and BF projects have also used these types of payments.

Payments Used in DBF/BF Projects:

Cash Availability Schedule (CAS)

- A quarterly repayment schedule provided within the contracts for the short-term DBF and BF projects in which P3 contractors can bill for the work completed up to the cumulative cash available per the CAS. The CAS is created from the cash flow of the funding on the project in the Cash Forecast. The OOC-FMO, Cash Forecast Section is responsible for creating and maintaining these schedules. Initiation of new CAS for new P3 projects should be discussed with the OOC-PFO, Project Finance Specialist.

8) Unsolicited Proposals for P3 Projects

[FDOT's P3 Law](#) provides FDOT with the authority to receive unsolicited proposals. [Rule 14-107.0011, FAC](#) establishes an application fee for the submission of unsolicited proposals. The fee is to cover the cost of evaluating the proposals. FDOT may engage the services of private consultants to assist in the evaluation of the proposal. Each P3 is different and the proposal process is flexible. Management reserves the right of executive direction any point in the process and is to be kept informed.

An unsolicited proposal may be a brief concept statement. Unsolicited proposals require a \$50,000 application fee. If the proposer sends the fee in prior to CO Management's approval to proceed, the check is to be held in the GAO's Cashier's Office until that decision is made.

Typical steps in the process:

- a) Proposers should begin conceptual discussions with the OOC-PFO, Project Finance Manager as to P3 program basics. If basic program requirements are met, Proposers should continue conceptual discussions with the District/Turnpike to determine if the District/Turnpike is interested.
- b) Brief the proposers on the basics of P3 projects via P3 101 Training PowerPoint
- c) Identify programming for the P3 project. The OOC-PFO will request a CAS from the OOC-FMO, Cash Forecast Section. Information required:
 - I. Programming/phases to be used to fund the P3 contract;
 - II. Funding for costs outside of the P3 contract, such as CEI, beginning in year of construction; and
 - III. Funding for stipends, if applicable, in year of shortlisting or signing the stipend agreement.
- d) To ensure statutory compliance with [Florida's P3 Transportation Law](#), the OOC-PFO will conduct a preliminary analysis of P3 project costs against the P3 15% Cap. To ensure statutory compliance with [Section 339.139, F.S.](#), OOC-PFO and OWPB-FPRA will conduct a preliminary analysis of the project against the STTF's 20% Debt Load.
- e) If the District/Turnpike is interested, the concept should receive executive direction (Secretary/Assistant Secretary/District Secretary) before proceeding further.
 - I. The proposer will be requested to submit to the OOC-PFO, Project Finance Manager the unsolicited proposal with the \$50,000 fee (if this has not already been received).
 - II. Any unsolicited proposals and \$50,000 fee received by a District/Turnpike should be immediately forwarded to the OOC-PFO. The OOC-PFO will electronically scan the Unsolicited Proposal and the \$50,000 check. Please note the Magnetic Ink Character Recognition (MICR) number (the bank routing number and account

number on the bottom of the check) should not be scanned or copied. However, it can be redacted in PDF or covered when scanned. The fee is to be held by the OOC-GAO, Cashier's Office until Central Office (CO) Management makes a decision on pursuing the proposal.

- III. As soon as an unsolicited proposal is received, a financial project number will be provided by the OOC-GAO, Project Cost Management Unit to the OOC-PFO. The financial project number is used to track Central Office and District/Turnpike staff time for those involved with handling, discussing, or evaluating the unsolicited proposal. The OOC-PFO will distribute the new financial project number to staff in Central Office and the District/Turnpike who will use the PeopleFirst timesheet system to log time spent evaluating the project. If external advisors are used to evaluate the Project, the OOC-PFO will track tasks for the project and any billing from the advisor(s) associated with the project. These costs will be applied against the \$50,000 fee as directed by management.
 - IV. In addition to the \$50,000 fee, FDOT reserves the right to request additional amounts as described in [Rule 14-107.0011, FAC](#).
 - V. If the FDOT determines that the unsolicited proposal will be rejected and it has not spent significant time evaluating the proposal, FDOT may return the fee in its entirety.
 - i. If a partial amount of the fee is to be returned, the OOC-PFO, will determine the appropriate amount to refund by analyzing the amount of staff time and consultant charges, if any, devoted to evaluating the unsolicited proposal that is charged against the applicable financial project number. An [Application for Refund of a Deposited Receipt](#) will be completed by the OOC-PFO and submitted to the OOC-GAO, Cashier's Office.
 - VI. Letters rejecting the unsolicited proposal and returning the \$50,000 fee (or a partial amount) should be signed by the Assistant Secretary for Finance and Administration. Rejection letters should be sent certified mail with signature required.
- f) Develop Conduct Cost-Effectiveness Analysis as required by [Section 334.30 \(6\) e\), F.S.](#) prior to advertising the P3 project.
 - g) Create the proposed P3 project presentation for the Assistant Secretary of Finance and Administration, Engineering and Operations, and The Division.
 - h) If the P3 project is approved by Leadership to move forward with evaluation, the next step will be to seek legislative approval for the P3 project.
 - a. [Section 339.2825\(2\), F.S.](#) requires FDOT to provide a summary of the proposed project to the Executive Office of the Governor, the chair of each legislative appropriations committee, the President of the Senate, and the Speaker of the

House of Representatives before the FDOT solicits the proposal pursuant to [FDOT's P3 Law](#).

- b. FDOT may not accept the unsolicited proposal, advertise receipt of the unsolicited proposal, or solicit other proposals for the same project purpose without the approval of the Executive Office of the Governor. If the chair of either legislative appropriations committee, the President of the Senate, or the Speaker of the House of Representatives objects to the proposed P3 project in writing within 14 days after receipt of the summary, the Executive Office of the Governor may not approve the proposed P3 project.

a) Advertising and Awarding Unsolicited Proposals

If acceptable and within executive direction, the OOC-PFO, Project Finance Manager will begin the 120-day advertisement period. The following process below must be followed:

1. During the advertisement period, no evaluation or analysis is performed on the unsolicited proposal(s). The purpose of the advertisement period is to inform the market of the unsolicited proposal and enable competing proposals from other private sector contractors and bid teams, thereby generating competition and Value-For-Money for FDOT.
2. Central Office and District/Turnpike will determine if financial, legal or technical advisors are needed to evaluate the proposals and advise FDOT.
3. An industry forum with the market including prime contractors, sub-contractors, and sub-trades should be held to provide basic information about the proposed project, project background information, potential contractual terms, and delivery timeline. The industry forum will also allow private sector contractors to ask FDOT questions about the project, facilitate partnering and team formation, and enable contractors to plan for a potential procurement.
4. Any and all proposals received by FDOT must be complete and sufficient for evaluation by the end of the advertisement period or will be rejected and returned to the proposer.
5. At the end of the advertisement period, District/Turnpike and Central Office will evaluate the proposal(s) and shortlist three (3) proposals to advance to the RFP phase. At the conclusion of the RFP phase, FDOT will select the best value proposal for negotiation.
6. If executive direction is to proceed, then FDOT will award/execute a contract with the final selected proposer.
7. The P3 Project is then completed by the District/Turnpike according to the negotiated procurement documents.

9) Approval of Solicited Proposals for P3 Contractor Financed Projects

Before FDOT solicits proposals for P3 projects pursuant to [FDOT's P3 Law](#), the Department shall consult with the Division. The Department shall provide the Division with the information necessary to provide timely consultation and recommendations. The Division may make an independent recommendation to the Executive Office of the Governor.

A summary of the proposed P3 project will be provided to the Executive Office of the Governor, the chair of each legislative appropriations committee, the President of the Senate, and the Speaker of the House of Representatives. The summary will demonstrate compliance with statutory provisions including [Section 339.2825, F.S.](#), (approval of P3 contractor-financed projects) and [FDOT's P3 Law](#). The summary will include:

- Summary providing a brief overview of the project;
- Project background and history;
- Project description, limits, scope, and benefits;
- Funding commitments from federal, state, and local sources by year;
- Key dates and milestones including procurement dates and contract term length;
- Anticipated commitments by FDOT for the years outside the Adopted Work Program;
- Anticipated impacts on the STTF's 20% Debt Load ([Section 339.139, F.S.](#));
- Information to demonstrate that the P3 project will not cause the FDOT to exceed the overall debt limitation provided in [Section 339.139, F.S.](#); and
- Information to demonstrate that the P3 project will not cause FDOT to exceed the P3 15% Cap on P3s required by [FDOT's P3 Law](#).

FDOT may proceed with the P3 project upon approval of the Governor. If the chair of either legislative appropriations committee, the President of the Senate, or the Speaker of the House of Representatives objects to the proposed P3 project in writing within 14 days after receipt of the summary, the Governor may not approve the P3 project.

Considerations for the approval process include:

- 1) Pre-meetings should begin on the legislative staff level to brief them on the proposed P3 project. Because of the complexities with P3 projects and FDOT's normal business process, it is advisable that a meeting is scheduled to provide an overview of how FDOT builds its Work Program, finance plan and cash forecast to understand how P3s fit in the overall process.
- 2) Although it is not required within the approval package, the cost-effectiveness analysis may be requested by legislative staff.
- 3) Prepare for follow-up questions, and include the different financial, engineering and legal disciplines in reviewing and providing input to these questions. Information should be reviewed to ensure there are no inconsistencies.
- 4) After FDOT management has approved the submission of legislative package to begin the 14-day consultation the following steps should be followed:
 - OOC-PFO will work with the District as well as Central Office to compile relevant information for the package.
 - OWPB – Budget Office will submit the package through the legislative system.
 - OWPB will create hardcopies of the package to distribute to the legislature and governor's office.
 - OWPB – Budget Office, Budget Officer and OOC-PFO, Project Finance Specialist will hand deliver the packages to the appropriate people. Signatures are required when packages are delivered. Signatures can be obtained by the addressee on the package or the front desk person in that office.

- OWPB-Budget Office will draft the approval letter for the governor's office to sign.
- Final versions of the legislative package and approval letters can be found in the [P3 SharePoint Site shared documents folder called 14-Day Notification Packages](#).

10) Recording P3s in the State Debt Affordability Report

P3s procured under FDOT's P3 Law are recorded in the State of Florida Debt Affordability Report that the Division is required by law to be published by December 15th of each year. FDOT will provide the Division information on P3s prior to seeking approval pursuant to [Section 339.139, F.S.](#), upon financial close or contract execution, and annually by September 1 for updates to the Debt Affordability Report. P3s that are DBFOM and use Availability Payments are treated as state debt. DBF and BF projects are currently not treated as state debt and are not included in the benchmark debt ratio calculation. The continued exclusion of payments from the benchmark debt ratio for DBF and BF projects is evaluated annually by the Division.

For DBFOM projects with Availability Payments, the OOC-PFO will provide the following information to the Division prior to seeking approval pursuant to [Section 339.139, F.S.](#), and upon financial close:

- Information from financial model:
 - Total construction period funding source(s) by year which equal(s) total construction period costs. Total construction period funding sources may include payments by FDOT during the construction period and concessionaire financing (bank debt, TIFIA loans, bonds, or equity).
 - Operating period payments which may include Final Acceptance Payments and Availability Payments. Availability payments will be broken out between capital (CapEX) and operations and maintenance (OpEX).
 - Payments used to repay financing, such as Final Acceptance Payments and the CapEX portion of the Availability Payments, will be broken out between interest and principal.
- FDOT funding sources with an indication of the fund group of each funding source (e.g. DDR is a FDOT funding source and State is the fund group DDR is in) for each FDOT payment type by year.

For DBFOM projects with Availability Payments, the Division uses the total construction period funding sources to record the debt obligation in the Debt Affordability Report. This debt obligation is paid down as payments tied to construction and the CapEX portion of the Availability Payments are made by FDOT. Except for the OpEX portion of the Availability Payments, all payments made by FDOT, regardless of whether they are tied to debt, are recorded in the benchmark debt ratio calculation. These payments include payments tied to construction (Milestone, Periodic, or Final Acceptance Payments) and the CapEX portion of the Availability Payments.

The OpEX portion of the Availability Payments includes costs for operations, maintenance, taxes, insurance and future renewal work amounts. Adjustments to the Debt Affordability Report for reserves associated with these operating costs should be made as well as adjustments for interest income that may be earned on the reserves.

The CapEX portion of the Availability Payments will be level payments that in total equal:

- Total principal and interest portions for debt;
PLUS
- Total equity distributions which equals a return of capital and a return on capital;
PLUS
- Reserves for payment of debt or equity funded from the availability payment;
MINUS
- Interest income earned on reserves;
MINUS
- Amounts in reserves used to repay debt and equity.

The payment mechanisms for PortMiami Tunnel and I-595 are structured in a way that a portion of the payment escalates at a fixed percentage per year and the other portion escalates at CPI. Going forward, the payment mechanism for future DBFOM Availability Payments will be structured in a way where a portion of the payment is level and the other portion escalates at CPI. It is important to recognize that Availability Payments programmed in Work Program were conservative estimates of the escalated amounts and generally more than the calculated Availability Payments per FDOT's Concession Agreements for the year. The amounts programmed should be analyzed each year to ensure the escalation built in is still sufficient to cover the current calculated amounts. OOC-PFO should be consulted in the use of Availability Payment calculations for internal and external reports.

For DBF or BF projects, FDOT will provide the Division the CAS amounts that are used in the contracts for these P3 projects. This information will be provided prior to seeking approval pursuant to [Section 339.139, F.S.](#), and upon contract execution.

The PFO will provide the Division the following information for Debt Affordability Report updates annually by September 1:

- P3 15% Cap
- Updated CAS balances for each DBF and BF project
- Updated programming by fund type for the CapEX and OpEX portions of the Availability Payments on DBFOM projects
- Summary of amounts that have been paid toward the CapEX and OpEX through Availability Payments on DBFOM projects
- Updates of timing and amounts for projected payments tied to construction for DBFOM projects

11) P3 15% Cap and STTF's 20% Debt Load Spreadsheet

[Section 334.30\(12\), F.S. \(FDOT's P3 Law\)](#) requires FDOT to ensure that no more than 15% of total federal and state funding in any given year for the STTF shall be obligated collectively for all projects under [FDOT's P3 Law](#). OOC-PFO, maintains the P3 15% Cap.

[Section 339.139, F.S.](#), requires FDOT to prepare a debt and debt-like contractual obligations load report that must include various data on current and planned FDOT commitments payable from the STTF. This report is referred to as STTF's 20% Debt Load Report. Furthermore, FDOT is required to manage the debt to ensure that not more than 20% of state and federal revenues, together with local funds, are committed to debt or debt-like contractual obligations from STTF. For P3 projects, this debt load report must include Availability, Milestone, and Final Acceptance Payments (excluding O&M portion of Availability Payments). OWPB-FPRA, Finance Plan Section maintains STTF's 20% Debt Load.

Payment obligations for DBFOM contracts, contractually obligated or contractually forecasted to be paid from funds in a prior fiscal year, will remain in the original year obligated/forecasted and made available for payment. If the payment is not made in the year the payment was made available, these funds will not accumulate into the subsequent fiscal year's payment obligations. A footnote within the P3 15% Cap and STTF's 20% Debt Load spreadsheets will indicate these payment obligations are recognized in the year funding was obligated/forecasted and made available for payment to the P3 contractor.

Contracts for DBFOM projects may not have dates in which payments may be earned and the payments may only be tied to the accomplishment of a certain milestone. While this approach is not advisable, there may be unique circumstances in which this may happen. In this case, the assumptions in the financial model as of financial close for the timing of the payments would be used as the date to record the payments in the P3 15% Cap and STTF's 20% Debt Load.

For the DBF and BF contracts, funds obligated and made available to the P3 contractor that are not earned (paid) in the same fiscal year that the funding was made available, are no longer considered debt and are not included in subsequent fiscal years. A footnote within the P3 15% Cap spreadsheet will indicate these payment obligations are recognized in the year funding is obligated/forecasted and made available for those payments to the P3 contractor. A footnote is included in STTF's 20% Debt Load recognizing that the amount in the STTF's 20% Debt Load only includes the maximum cash available in the fiscal year the payment obligation was obligated and made available for payment to the P3 contractor. Prior year payment obligations that were not earned by the P3 contractor in the year the funds were made available will not be included in the debt load report since these funds are no longer considered a debt.

The 15% Cap will be calculated using the following formula:

P3 (DBFOM/DBF/BF) Value / Total State and Federal Revenues

Whereby the ***P3 (DBFOM/DBF/BF) Value*** (numerator) includes state, federal, toll and other funds as forecasted in the P3 force flow spreadsheet and excludes Turnpike and local funds.

Whereby the **Total State and Federal Revenues** (denominator) includes all state and federal revenues including toll funds/reimbursements, and excludes local funds and deferred payment agreement reimbursements and turnpike funds.

The below matrix provides a summary of the different revenues and obligations included within the P3 15% Cap and STTF’s 20% Debt Load.

Table 4: P3 15% Cap and STTF 20% Debt Load

	P3 15% Cap (s. 334.30, F.S.)	STTF 20% Debt Load (s. 339.139, F.S.)
Debt & Contractual Obligations	Included in Analysis (Yes/No)	
ROW Acquisition & Bridge Construction Bonds Debt Service	No	Yes
GARVEE Bonds Debt Service	No	Yes
Transportation Financing Corporation Service Payments	No	Yes
Lease Purchase Agreements	No	Yes
Reimbursements to Local Governments for Advances	No	Yes
Internal SIB Loan Repayments	No	Yes
P3 Contract Payments	Yes	Yes
Seaport Bonds Debt Service Payments	No	Yes
P3 Project Types		
DBF/BF	Yes	Yes
DBFOM	Yes	Yes
Toll Concession	Yes, if Milestone/Periodic/Final Acceptance Payments are in Work Program	Yes, if Milestone/Periodic/Final Acceptance Payments are in Work Program
P3 Project Funding Sources		
State Funds	Yes	Yes
Federal Funds	Yes	Yes
Local Funds	No	Yes
Turnpike Funds	No	No
Toll Funds	Yes	Yes
P3 Payment Mechanism		
Cash Availability Schedule (DBF/BF)	Yes	Yes
Milestone/Periodic/Final Acceptance Payments	Yes	Yes
OpEX (Availability Payment)	Yes	No
CapEX (Availability Payment)	Yes	Yes
Revenue Sources		

State Revenue (e.g. gas taxes)	Yes	Yes
Federal Aid Reimbursement	Yes	Yes
Local Funds and Deferred Payment Agreement Reimbursement	No	Yes
Turnpike Revenue	No	No
Toll Reimbursement (1)	Yes	Yes

(1) This represents toll reimbursements from non-Turnpike toll facilities.

12) Advisors

The CO has a pool of financial, legal and technical advisors to assist with the complexities of P3s. The contracts for these advisors are managed in the following offices.

- Financial Advisors: OOC-PFO, Project Finance Manager
- Outside Legal Counsel: OGC
- Engineering/ Technical: Engineering and Operations, Corridor Program Manager
- Traffic and Revenue Forecasts: Turnpike

13) Conflict of Interest

The District/Turnpike may have used consultants for engineering services throughout the planning and development stage of a project. These same firms may express a desire to compete on a procurement for the P3 project. The Engineering and Operations, Corridor Program Manager should be contacted with the list of consultants that have provided services on the project being considered for the P3 as well as the potential future involvement of those consultants on the project. The Engineering and Operations, Corridor Program Manager will discuss FDOT’s conflict of interest policy with the project team as well as seek management direction when necessary.

[Conflict of Interest Procedure \(001-375-020\)](#).

14) Cost-Effectiveness and Overall Public Benefit Analysis

P3 projects provide additional benefits and increased value by delivering a project sooner and alleviating congestion for the motoring public. Additionally, benefits extend to effective management of FDOT’s resources and continued geographic distribution of funding for projects. P3 projects are difficult to deliver using the traditional programming as the total project cost is much larger than a traditional project. Using the P3 model enables FDOT to establish a project payout schedule so as not to cause severe fluctuations in cash balances or impact payouts on other projects. P3 projects also mitigate the negative impacts of allocating most or all an entire year’s allocation to one county or region. Using this model allows other projects to be funded,

scheduled and paid concurrently rather than serially so that other needs are not put-on hold. FDOT's experience and record with delivering P3 projects has confirmed this procurement method enables successful delivery of very large projects as well as other important projects scheduled in the Work Program.

FDOT's P3 Law requires FDOT to provide an independent analysis of the proposed P3 that demonstrates the cost-effectiveness and overall public benefit at the following times:

- Prior to moving forward with procurement; and
- If procurement moves forward, prior to awarding the contract.

The above requirement was enacted in 2007. The cost-effectiveness and overall public benefit analysis conducted by FDOT is "independent" of the private sector. FDOT's implementation is further supported by the 2007 legislative staff analysis which stated: "Requires DOT to perform two independent financial feasibility analyses, once prior to procurement and again before awarding the contract." The Auditor General's December 2012 Operational Audit (Report No. 2013-066) included FDOT's P3s. It concluded, "For the activities and transactions tested, Department records demonstrated compliance with governing laws and effective operation of related controls." The audit included the review of the Department's cost effectiveness and public benefit process. The report stated the audit included "tests of selected Department actions for six public-private partnership projects with estimated costs totaling approximately \$1.4 billion, and procurement records for two proposed projects, with estimated costs totaling \$200.5 million." Supporting information can be found in the [P3 SharePoint](#).

Cost-effectiveness determines which option provides the most value for the cost when compared to other alternatives. This is different from a feasibility analysis, which determines if the funding can cover the project's costs. The public benefit analysis determines which option satisfies the public need best.

To determine if a P3 project is cost-effective, the OOC-PFO will work with other areas of FDOT, District/Turnpike to conduct the Delivery Options and Financing Alternatives Analysis. The depth of the analysis and the scenarios that are conducted will depend on the complexities of the project.

For DBFOM projects with Availability Payments, a funding limit for the Availability Payments should be provided to proposers as well as the requirement for proposers to remain under the funding limit for the proposal to be responsive. This approach or similar approach should be used to satisfy the cost-effectiveness check prior to award (if there have not been substantial changes in the scope of the project). If all proposers are over the funding limit, FDOT will reevaluate the project and seek management direction.

For DBF/BF projects, a funding limit amount in the CAS should be provided to proposers in the RFP as well as the requirement for proposers to remain under the funding limit to be responsive. This approach or similar approach should be used to satisfy the cost-effectiveness check prior to award (if there have not been substantial changes in the scope of the project). If all proposers are over the funding limit, FDOT will reevaluate the project and seek management direction.

OOC-PFO will document the cost-effectiveness analysis and public-benefit analysis in a memo that is sent to management. The memo will be completed prior to beginning procurement and

prior to awarding the project. In addition, for DBFOM P3 projects, this memo will be updated upon the project reaching financial and commercial close.

15) Delivery Options and Financing Alternatives Analysis

Cost-effectiveness determines which option provides the most value for the cost when compared to other alternatives. The purpose of the Delivery Options and Financing Alternatives Analysis is to determine which method of advancing the project is the most cost-effective approach. This is different from a feasibility analysis, which determines if the funding can cover the project’s costs.

This analysis satisfies the pre-procurement cost-effectiveness analysis needed prior to seeking approval of the project. OOC-PFO will work with other areas of FDOT to analyze the project using different delivery options and financing alternatives. Some examples are included in the chart below.

Table 5: Delivery Options and Financing Alternatives Analysis

Delivery Option	Financing Alternatives
DBB	<ul style="list-style-type: none"> • Pay-as-you-go (state/federal) • Pay-as-you-go (state issuing the debt)
DB	<ul style="list-style-type: none"> • Pay-as-you-go (state/federal) • Pay-as-you-go (state issuing the debt)
DBF	<ul style="list-style-type: none"> • Pay-as-you-go (state/federal) • Private financing • Pay-as-you-go (state issuing the debt)
DBFOM	<ul style="list-style-type: none"> • Private financing
DB + Asset Maintenance Contracts + Future Renewal Work (all separately procured)	<ul style="list-style-type: none"> • Pay-as-you-go (state/federal) • Pay-as-you-go (state issuing the debt)

Communication between the District/Turnpike and the OOC-PFO Project Finance Specialist should begin immediately upon the consideration of using the P3 method of procurement. Discussions between OOC, OWPB and the District/Turnpike shall determine the phases of work and projects to include in the P3 contract. Any traffic and revenue studies or any toll revenue projections will include the involvement of the Turnpike.

16) Feasibility Analysis

Exhibit 1 provides a sample flow of the P3 financial feasibility analysis process. The OOC-PFO in conjunction with other areas of FDOT will conduct feasibility analysis to determine if the project is feasible as a P3 as well as for overall FDOT financial feasibility. In general, this analysis compares construction payout determined by the project manager, the cost of finance and other costs related to a P3 to available funding for the project. The OOC-PFO may use a financial advisor

for feasibility analysis on a case-by-case basis. Funding for the financial advisor will be provided from District/Turnpike budget.

The OOC-PFO will involve the Division of Bond Finance early in the cost-effectiveness and feasibility analysis process.

a) DBF and BF Feasibility Analysis

- The objective of the DBF and BF feasibility analysis is to determine if available funding can cover the costs of the P3 project (construction costs plus cost of finance). The typical steps for DBF and BF feasibility analysis are: Project manager or OWPB-WPD, District Work Programs Manager provides financial project numbers of portion of the project that is to be procured as the P3.
- Project manager provides the PDC estimates for design and construction and associated payout curve for the project to the OOC-PFO. See Exhibit 2 for a sample format as to how payout information should be provided.
- The OOC-PFO works with the OOC-FMO, Cash Forecast Section to develop a CAS based on programming. The CAS is developed based on how the cash forecast system cash flows Work Program commitments. The cash forecast system applies over 10,000 rates considering program, category, and subcategory, as well as roll forward, commitment and payout rates. Special considerations may be made for different funding types. Any changes to the CAS require Comptroller approval.
- The OOC-PFO compares the construction costs plus cost of finance to the CAS.
- OWPB – FPRA, STTF Finance Plan Coordinator and the OOC-FMO, Cash Forecast Manager, checks the CAS for FDOT feasibility.
- The OOC-PFO will assess the P3 15% Cap and the OWPB- FPRA, STTF Finance Plan Coordinator will assess the STTF's 20% Debt Load.
- In accordance with the [Florida Express Lanes Handbook](#), the OOC-PFO, Toll Facilities Manager will calculate an IRR. Future toll revenues, operations, maintenance, and renewal work costs will be needed for this analysis.

b) DBFOM Feasibility Analysis

DBFOM feasibility analysis will consider the construction and operating periods for the project. Project terms for this analysis ranges from 30 to 40 years for Availability Payment projects and 50 years or more for toll concessions. Terms include both the construction period and operating period. The objective of the feasibility analysis for DBFOMs that use Availability Payments is to determine the optimal concession duration and level of funding during the construction and operating period to achieve feasibility. The objective of the feasibility analysis for a DBFOM project that is a toll concession is to determine the optimal concession duration and how much of an upfront payment, either during construction or at final acceptance, will be needed for toll revenues to be sufficient to cover financing, operations and maintenance, and renewal work costs.

Typical steps for DBFOM feasibility analysis:

- Project manager develops present day cost estimates for design, construction, operations, maintenance, renewal and rehabilitation work. A payout curve for design and construction

should be provided as well as projected cycles of when renewal and rehabilitation work will be needed.

- A funding plan for the project is created – see section c below. This funding plan is different from the financial plan required for FHWA Major Project Financial Plans.
- OOC-FMO, Cash Forecast Section will cash flow construction period funding. OOC- PFO will work with OGC and management to determine the appropriate level of payments to be paid during the construction period to balance construction performance security requirements.
- If the project is anticipated to be tolled and toll revenues are needed for the finance plan, the project manager should refer to the Traffic and Revenue Study Preparation Process and request a traffic and revenue study from Turnpike.
- Available funding sources from the finance plan are compared to cost estimates and cost of finance to determine feasibility for the DBFOM type (toll concession or Availability Payments).
- The analysis will identify funding shortfalls either during the construction period or operating period.
- The OWPB – FPRA, STTF Finance Plan Coordinator and OOC-FMO Cash Forecast Manager, reviews the projected payments for FDOT financial feasibility.
- The OOC-PFO will assess the P3 15% Cap and OWPB- FPRA, STTF Finance Plan Coordinator will assess the STTF Debt Load 20%.
- In accordance with the [Florida Express Lanes Handbook](#), the OOC-PFO, Toll Facilities Manager will calculate an Internal IRR.

c) Development of a Funding Plan for DBFOM with Availability Payments

The development of the funding plan will be done during the initial analysis of the project and may use funding sources that are currently programmed in the Work Program for the project as well as newly identified sources. The OWPB-WPD, along with other functional areas of FDOT, should be consulted when developing a finance plan for DBFOMs. The District/Turnpike should only use funding sources that they are relatively sure they will be able to obtain. Any changes in the funding plan will impact the feasibility of the project. The following items should be considered when developing a finance plan for projects that use Availability Payments:

- Maintenance funding for non-tolled lanes;
- Future renewal work funding for non-tolled lanes;
- Funding sources for portions of the project that are either being built for Turnpike and/or local partners;
- Funding that may be available for unique aspects of the project, such as, safety and major bridge replacements; and
- District allocated funding.

The District/Turnpike should program the funding determined by the finance plan for the project on a candidate item in the Work Program. Finance plan assumptions for toll revenues should be approved by the OOC-PFO, Project Finance Manager, in consultation with Turnpike and the

Strategic Initiatives Manager, prior to programming. OWPB – OWD will review the candidate file for reasonableness of funding assumptions other than toll revenues.

DBFOM projects do not provide compensation for the entire value of design and construction costs during the construction period. This is usually due to the large size of the projects. Sizing of any payments during the construction period should be discussed with OGC and management because the size of these payments has an impact on the construction security package (performance and payment bonds) that will be needed for the P3 project.

17) P3 Insurance Requirements

The P3 contractor is required to procure and hold various insurance policies during each project phase – design, construction and, if applicable, operations. The P3 contract requires that the P3 contractor obtain and maintain pre-defined insurance policies and also requires that said insurance policies are in full force and effect during the contract term. Generally, insurance coverage is required for:

- commercial general liability
- property
- automobile
- pollution

All insurance coverage required to be provided by the P3 contractor is to be purchased specifically and exclusively for the P3 Project and extend to all aspects of the Project's works. Coverage limits are solely applicable to the P3 Project.

a) Verification of Coverage

As evidence of maintaining the requisite insurance policies under the P3 contract, the P3 Contractor is required to deliver to FDOT written binders of insurance verifying coverage from the relevant insurers of such insurance policies. Each required binder must be in standard form, state the identity of all insurers, named insureds and additional insureds, state the type and limits of coverage, deductibles, and termination provisions of the policy, include as attachments all additional insured endorsements, and be signed by an authorized representative of the insurance company shown on the certificate, including its licensed agent or broker.

b) Adjustment of Coverage Amounts

Periodically (e.g., once every two years during the contract term), FDOT and the P3 Contractor will review and adjust, as required, the per occurrence and aggregate limits for the insurance policies that have stated dollar figures. PFO staff coordinate with the P3 Contractor's Contact Person (named in the Concession Agreement) to arrange a negotiation of potential adjustments to insurance coverage amounts. As a best practice, any proposed adjustments to insurance coverage amounts are proposed by the P3 Contractor, rather than FDOT staff proposing adjustments.

c) Insurance Premium Benchmarking

On a yearly basis over the duration of the P3 contract term, FDOT allocates the risk of significant increases in insurance premiums through an insurance benchmarking process. Unless explicitly contained in the P3 contract, FDOT does not participate in any insurance premium risk associated with additional or extended coverages beyond those considered mandatory insurance coverages, or changes in premiums that are not the result of market-based factors.

FDOT is supported in the benchmarking process by FDOT's insurance advisor for the P3 project. The insurance advisor's costs are paid by programmed funds from the relevant District and the insurance advisor is managed by staff in the PFO.

The benchmarking process will occur at each insurance renewal period (generally this is annually) and involves the following steps:

1. Prior to the insurance renewal date (e.g., 45 to 60 days), the P3 Contractor submits to FDOT an insurance review report that contains:
 - (a) Firm quotes from a minimum of three established and recognized insurance providers for the required insurance policies. The quotes should represent the current and fair market cost of providing the required minimum insurance coverage.
 - (b) A comprehensive written explanation of any effect that a P3 Contractor entity's loss experience has had on the premiums for the required minimum insurance policies and actual insurance policies. The explanation generally includes an assessment by the P3 Contractor's independent insurance broker addressing industry trends in premiums for the required insurance policies, analysis (if applicable) of any project-specific reasons for the increase in premiums, and detailed analysis of any claims (paid or reserved) since the last review period, with claim date(s), description of incident(s), claims amount(s), and the level of deductibles provided.
 - (c) FDOT uses the information in step a. and b. above to determine the change in premium costs on a coverage-by-coverage basis for the required insurance policies. Generally, broker's fees and agent's commissions are not considered as part of the benchmarking exercise and are the exclusive responsibility of the P3 Contractor.
 - (d) If FDOT determines that the updated premiums are not aligned with market standards, FDOT will request that the P3 Contractor obtain additional quotes from qualified insurance brokers in the market. This negotiation process often lasts 4-6 weeks and involves regular meetings between FDOT and the P3 Contractor.
 - (e) If the annual insurance premiums for the actual insurance policies are in excess of the escalated benchmark insurance premium (e.g., premiums adjusted by a fixed value such as 5%), FDOT will increase the Availability Payment in an amount equal to a certain percentage (e.g., 85%) of such premiums that are in excess of the escalated benchmark insurance premiums until the next benchmarking period. If the annual insurance premiums for the actual insurance policies are less than the escalated benchmark insurance premium, FDOT will reduce the Availability Payment in an amount equal to a

certain percentage (e.g., 85%) of the difference between such premiums and the escalated benchmark insurance premiums until the next benchmarking period.

18) General Work Program Items

The [P3 SharePoint site shared documents named Work Program Resources](#) has information that may support some of the items referenced in this section.

a) P3 Work Program Summary

In accordance with Section [339.135](#), the PFO will provide a P3 Work Program Summary to the Office of Work Program to include in the submittal of the Five Year - Tentative Work Program to the Governor and Legislature.

This summary is required by s. 334.30(9), F.S. which states: “The department shall provide a summary of new P3 projects each year as part of the submittal of the Tentative Work Program. The summary shall include identification of planned funding from the State Transportation Trust Fund beyond the 5-year Tentative Work Program period that are the public involvement process for project, including discussion of the planned use of future funds to deliver the project.”

The P3 Work Program summary is usually completed by PFO several times based on the number of snapshots completed in the spring of each fiscal year. It is based on the P3 Summary posted on the [P3 website](#), with a programming table(s) added for any new P3 project(s) under consideration.

b) Landscaping Requirements

In accordance with Section 334.044(26), F.S., one of the duties of FDOT is to provide for the enhancements of environmental benefits, including air and water quality; to prevent roadside erosions; to conserve the natural roadside growth and scenery; and to provide for the implementation and maintenance of roadside conservation, enhancement and stabilization programs. Work Program Instructions Part III – Chapter 16: Highway Landscape Installation outlines requirements of how landscaping should be programmed for projects. The approach to programming landscaping within the Work Program Instructions should be followed for all DBF and BF projects.

Due to the large-scale nature and payment structure of DBFOM projects, landscaping is required to be included as a separate line item within the concessionaire’s schedule of values in the amount of 1.5% of the total of construction costs, maintenance of traffic, clearing and grubbing, roadway, drainage, walls, bridge work, signing and pavement marking, signalization, lighting, ITS system, tolls system and miscellaneous items. OGC will review the schedule of values to ensure the appropriate cost categories are captured for the 1.5% requirement.

When a new project has been determined to be a P3, the OOC-PFO, Project Finance Specialist will notify the OWPB-WPD and OWPB-PMO responsible for landscape reporting. DBFOM projects will be tagged with the item group identifier “P3OM.” The landscaping report will exclude

DBFOM projects based on the item group identifier. For DBFOM projects, the landscaping should be built into the Concessionaire's schedule of values in the amount of 1.5%; therefore, excluded from the landscape report provided by the OWPB- WPD and OWPB-PMO.

c) P3s and Contingencies

DBFOM P3 projects are not programmed like a traditional project. DBFOM P3 Work Program funding for construction is across multiple years of the Work Program, which is unlike a traditional project with all the funding in the year of award. Some DBFOM P3 projects may have no Work Program funding during construction. A project-wide reserve has been developed for DBFOM P3 projects because of disconnects between timing of the Work Program funding as the project is being constructed and when the funding is available. These project-wide reserves are also used to help satisfy the 70th percentile requirement for FHWA Major Project reporting purposes and other contractual requirements.

Construction costs that are financed due to absence of funding during construction are paid with an Availability Payment or other post-construction payments. Post-construction payments and a portion of the Availability Payment is programmed with phase 52. The system may be generating program-wide contingences for payments programmed as a phase 52 that are paid once construction is complete.

A system-generated contingency may not be needed for the phase 52 programmed for Availability Payments because FDOT currently programs additional funding in the Availability Payments to account for changes in CPI and insurance. This allows FDOT to ensure there is adequate funding programmed for the Availability Payment and minimizes annual programming changes.

Sample P3 projects:

I-595: FDOT did not make any payments to the Concessionaire during the construction period so no Work Program contingency would have been generated for this \$1.2 billion project. Therefore, there would not have been a system-wide contingency generated in the amount FDOT may have needed because there was no Work Program funding during construction. A project specific contingency was programmed.

PortMiami Tunnel: The \$150 million contingency for the geotechnical relief event on POMT was contractually required so there was a need to segregate and encumber funds since that was FDOT's exposure. There was not enough funding programmed during construction to systematically generate the required \$150 million contingency that was used to fund \$58.5 million geotechnical relief that was paid. (Half of the geotechnical contingency was funded with LF.)

I-4: Has a significant amount of funding programmed during the construction period. There was a system-generated contingency in statewide funds and established a project wide reserve for the project.

d) TIFIA Loans and DBFOM Projects

I. Costs for TIFIA Loan Letter of Interest and Application

There is a cost associated with applying for a TIFIA Loan. Depending on where the project is in the procurement cycle, FDOT may be required to cover some of the costs for a TIFIA loan Letter of Interest or Application. On the I-4 Ultimate, the Concessionaire covered the cost of the TIFIA Loan Application.

II. Programming TIFIA Loan Disbursements and TIFIA Loan Repayments

For DBFOM projects, TIFIA funding for the project is not programmed in the FDOT Work Program. The concessionaire, who is the entity responsible for the construction, financing and future maintenance, is the borrower of the financing. Therefore, the concessionaire will use the TIFIA loan as well as other sources of financing to cover the costs during construction. For an Availability Payment DBFOM P3, FDOT will make payments to the concessionaire and the concessionaire will use those payments to repay the TIFIA loan and other financing. The Availability Payments are what is programmed in the Work Program, not the TIFIA loan repayments. For a toll concession DBFOM P3s, the concessionaire would use future toll revenue to repay the TIFIA loan.

III. TIFIA Loans and Federal Funding

23 U.S.C §603(b)(9), limits total federal assistance for a project receiving a TIFIA loan to no more than 80 percent of eligible project costs. The purpose of the below calculation is to determine the amount of the project that is federally funded. The OOC-PFO, Project Finance Specialist will perform the below calculation on the project. The below calculation excludes the federal assistance used on Availability Payments and associated costs.

Table 6: Calculation Determining the Federally Funded Amount of a Project

<p>Numerator</p> <hr/>	<p>Federal funding in prior costs used to size the TIFIA loan, construction period payment(s), final acceptance payment(s) and TIFIA loan amount</p> <hr/>
<p>Denominator</p>	<p>Prior eligible costs (can go back three years) used to size the TIFIA loan plus certain concessionaire costs, including design and construction</p>

e) Federal Funding and Availability Payments/ Other Payments Used to Repay Financing (i.e. Final Acceptance Payments)

FHWA has agreed to provide federal assistance towards Availability Payments and other payments used to repay financing. The OOC-PFO, Project Finance Specialist will perform the necessary calculations to determine which portion of the payments can be federally funded between CapEX and OpEX. If payments use federal funds, FHWA will require an addendum to the FMIS Project Agreement. The I-4 Ultimate with Express Lanes is the first Florida project to

use this approach. Additional information regarding this topic can be found on the [P3 SharePoint site](#).

f) State Toll Revenue (TOXX, TMXX, DSBX) Used to Pay the Availability Payments

Per Section [338.165](#), F.S., Remaining Toll Revenue can be used to pay for the operations, maintenance, and improvement of a toll facility. As such, toll revenues can be used to pay the Availability Payments for Toll Facility and Managed Lanes based on the following guidelines:

- a. Toll funding cannot be programmed if toll collection is not yet active or if toll revenues do not exist, unless toll funding using DSBX funds has been approved.

Availability Payments covered by toll revenues may involve the facility paying back the STTF for toll revenues that are consumed in making the Availability Payments. The decision to reimburse STTF is project-specific and dependent on the P3 project's finance plan. Availability Payments programmed with toll revenue must be re-evaluated on an annual basis.

g) Ratio Between District Allocated to SIS Funding for DBFOM Projects

Due to the limited amount and increasing demands on the SIS funding, the district shall provide at least 20% of the total funding in the form of district allocated funds. The OOC-PFO will work with the OWPB-WPD to determine the appropriate mix of district and statewide funding for the project as well as perform the calculation. A calculation performed on the I-4 Ultimate with Express Lanes project is saved in the [P3 SharePoint site Work Program Resources folder](#).

h) Supplemental Agreements (SAs)

All programming changes related to SAs shall be approved by the OWPB-WPD prior to SA execution. The OWPB will seek approval from the OOC- PFO and OOC-FMO, Cash Forecast Section if the SA will be programmed on a sequence that will impact the CAS prior to providing approval to District/Turnpike.

I. SAs

For the purposes of Major Project Financial Plan reporting and force flow tracking purposes, SAs P3s must be programmed on a separate financial project number sequence. This sequence should be different from the sequences associated with the payments on the original contract. It is preferred that all SAs be funded with current year funds, when possible, to prevent new or adjusted CASs.

II. Contingency SAs

For contingency SAs related to P3s with a CAS (DBF and BF), additional amounts must be programmed on a new sequence number on the P3 item/segment/phase. This will allow the additional amounts to be immediately available or allow for a new CAS to be developed. This provision does not apply to DBFOM P3s.

Contingency SAs utilizing current year funds will not become part of a CAS. The OOC-FMO, Cash Forecast Section will track these P3 related payments. These agreements should contain

a statement that funds will be available to the P3 contractor as task work orders are issued against the SA.

Contingency SAs utilizing future year funds will be incorporated into a CAS, as provided by the OOC-FMO, Cash Forecast Section in accordance with the P3 Handbook. These agreements should contain a statement that funds will be available in the first month of the fiscal year of programming (i.e. if FY14, funds would be available July 1, 2013) and can only be paid out after the issuance of a task work order.

If applicable, OOC-PFO will assess the P3 15% Cap and the OWPB- FPRA, STTF Finance Plan Coordinator will assess the STTF's 20% Debt Load.

III. Non-Contingency SAs

The Project Manager of the P3 project should estimate the amount of funds needed for the SA and work with the District's Work Program to request approval from the OWPB-WPD to add the funds to the P3 project. At the time, the District/Turnpike is seeking programming approval, the OOC-FMO, Cash Forecast Section needs to know the following, if the SA funded with other than current year funds:

- The amount of funds and to what 11-character financial project(s) the funds pertain.
- Do the funds requested for programming represent the actual amount of a SA or an estimate pending negotiation of a final amount?
- Is the programming request related to one supplemental, or will the programming cover multiple supplemental agreements? Break out if multiple.
- What is the source of the additional funds? Another project, box, etc.?

The OOC-FMO, Cash Forecast Section will review the request to determine if a new CAS will be required in the SA. This is determined by the following guidelines:

- If additional funds are to be programmed on an original 11-character financial project, there will be a revised CAS provided which will include/incorporate the amount for the supplemental.
- If additional funds are to be programmed on a new (to the contract) 11-character financial project:
 - If all the funds are in the current year, a standard SA should be executed and there is no revision required for the CASs. The SA will be tracked to assist with the invoice and payment request review.
 - If the addition of the funds includes a future year, the SA will require a new CAS.

Upon programming approval, the OOC-FMO, Cash Forecast Section will send a note to the District/Turnpike with the expected payout amount and dates that the funds would be available to the P3 contractor. This information should be used as the starting point for negotiation. When the final agreed-upon amount is negotiated, the P3 project manager should contact the OOC-FMO, Cash Forecast Section to determine if any changes are needed to the CAS. The final

negotiated amount will need to be included in the executed SA. Example wording may be as follows:

“This supplemental agreement includes funding in the amount of \$XX dollars and will be available for reimbursement as follows: July 1, 2009 - \$XX, October 1, 2009 - \$XX, January 1, 2010 - \$XX, April 1, 2010 - XX”

Prior to execution of the SA, federal funds must be authorized (if applicable) and a fund approval request must be made through CFMS. The OOC-FMO, Cash Forecast Section will review the request to determine that the fund approval request does not exceed the programming request approved by the OWPB- WPD and will confirm that a new CAS is required.

An official CAS will not be sent to the District/Turnpike at the time of programming additional funds or at the time of fund approval. A CAS will be sent at notice of SA execution. This will prevent erroneous CAS from being executed in the event that multiple SAs are pending P3 contractor approval. Districts/Turnpike will need to notify the OOC-FMO, Cash Forecast Manager, of the SA execution and forward a copy to the OOC-DOO, Contract Payment Section for payment processing.

At that time, the OOC-FMO, Cash Forecast Manager will officially update the project’s CAS. That CAS will be printed, signed by the OOC-FMO, Cash Forecast Manager, scanned and sent to the District/Turnpike for their use. This CAS should be given to the P3 contractor for its reference but does not have to be included in an SA or task work order. The previous wording above takes care of P3 contractor notification within the SA.

The OOC-PFO will assess the P3 15% Cap and the OWPB-FPRA, STTF Finance Plan Coordinator will assess the STTF Debt Load 20%.

i) Programming changes for DBFOM Changes at Execution

Prior to financial close, the OOC-PFO, Project Finance Specialist will hold a meeting with OOC and OWPB to discuss potential programming changes that will need to happen after financial close and once interest rates are locked in. Programming changes must happen within three business days after financial close. OOC- PFO will provide OWPB the final programming changes for review and approval. The fund approval must be done within five business days of financial close/contract execution.

j) Non-Supplemental Contract Commitments

When the contract includes non-bid items for commitments on the following list they are to be programmed on a separate financial project sequence similar to SA’s. Approval to program must be made through the OWPB. When approved then programmed, they will be included in the ‘tracked’ portion of the CAS. When these items are encumbered and subsequently paid, they must use their exclusive work activities (see list below). This is required to ensure the funding for this cost is utilized as programmed.

Activity #	Description
256	Dispute Review Board (DRB) Meetings

- 277 Temporary or Repair of Crash Attenuator
- 278 Composite Pay Factor

a. Item Group Identifiers for P3 Projects

P3 projects should be tagged with the following item group identifiers:

Table 7: P3 Project Item Group Identifiers

Item Group Identifier	P3 Type
P3	BF, DBF and DBFOM
P3OM (used for landscaping report)	DBFOM
NRCL (Do not recalculate estimates)	BF, DBF, and DBFOM

Please refer to the Work Program Instructions or OWPB-WPD, Manager of WPD for additional guidance.

19) General Procurement Items

a) P3 Procurement Financial Responses

For P3 procurements, the number of copies of financial responses to an RFQ or RFP shall be determined by the OOC-PFO Project Finance Manager or Project Finance Specialist. Hard copies of financial responses required for the procurement office, administrative and/or legal review shall be in addition to the copies determined necessary by the OOC-PFO Project Finance Manager or Project Finance Specialist.

b) Upset Limit and Cost Effectiveness

For DBFOM projects using Availability Payments, a funding limit, aka upset limit, for the Availability Payments should be provided to proposers as well as the requirement for proposers to remain under the funding limit to be responsive. This approach or similar approach should be used to satisfy the cost-effectiveness check prior to award (if there have not been substantial changes in the scope of the project). If all proposers are over the funding limit, FDOT will reevaluate the project and seek management direction.

For DBF/BF projects, a funding limit amount in the CAS should be provided to proposers as well as the requirement for proposers to remain under the funding limit to be responsive. This approach or similar approach should be used to satisfy the cost-effectiveness check prior to award (if there have not been substantial changes in the scope of the project). If all proposers are over the funding limit, FDOT will reevaluate the project and seek management direction.

c) Structuring Availability Payment Mechanism for DBFOM P3 Projects

The payment mechanisms for Port of Miami Tunnel, I-595, and I-4 Ultimate are structured in a way that a portion of the payment escalates at a fixed percentage per year and the other portion escalates at CPI. Going forward, the payment mechanism for future DBFOM projects using Availability Payments will be structured in a way where a portion of the payment is level and the other portion escalates at CPI.

The Availability Payments reflect the aggregate of two items: a capital component to service long-term debt and equity; and a non-capital component to cover service operations, maintenance, and major maintenance/lifecycle costs (CapEX and OpEX).

The capital component of the Availability Payment is based on an amortization schedule of capital costs incurred during the construction phase and financed by debt (e.g., bond from a long-term lender) and equity (contributed capital from the developer and other equity investors). The capital component of the AP generally follows a fixed escalation schedule over the concession term of the project (e.g., 3% per annum). However, the capital component of I-4 Ultimate is fixed and is not escalated over the term of the concession agreement.

The non-capital component of the Availability Payment services the project's operations, maintenance, and major maintenance/lifecycle costs over the concession term and follows an escalation schedule based on CPI.

d) Conduit Tax Exempt Bonding for DBF or BF Projects

DBF and BF P3 contractors are precluded from using the conduit tax exempt bonding solution to finance projects. Procurement documents for DBF and BF projects shall specifically preclude this type of financing. This restriction does not prohibit a concessionaire from using PABs for DBFOM projects.

e) Stipends/Cancellation Fees for DBFOM, DBF and BF Projects

Shortlisted proposers may receive a stipend payment. The intention to pay a stipend may be announced at the Industry Forum (although the amount may be determined later). A different financial project sequence number with a phase 32 and program number SD should be programmed for each anticipated stipend agreement. Each proposer team, which may not have formed a SPV or JV at this point, shall identify one of its equity members or JV members who will be responsible for accepting the stipend on behalf of the other members. Conditions on the stipend will be outlined in the procurement documents. The funds shall be programmed in the year that it is anticipated that the stipend agreement will be executed. Funds shall be encumbered for the identified member prior to FDOT's execution of the stipend agreement.

If a proposer has been selected from one of the shortlisted proposers as the best value proposer, that proposer may be eligible to receive a project cancellation fee. The project cancellation fee is paid instead of the stipend and is usually an amount that is greater than the stipend paid to the other proposers. The project cancellation fee should be programmed at the same time the stipends are programmed and will take the place of one of the stipends in the event the project is cancelled. For example, if the plan is to shortlist four proposers, program 4 stipends and on a separate financial project sequence program additional funds as part of the project cancellation fee. The stipend amount plus the additional funds programmed will equal the project cancellation

fee. Process a memo encumbrance for the additional funds programmed since the best value proposer will not be known at the time of encumbering and execution of the stipend agreements. Once the best value proposer is selected, the memo encumbrance for the project cancellation fee must be replaced with a regular encumbrance processed with the best value proposer's vendor information.

Each equity member or JV member on the proposer's team shall execute the stipend agreement within 30 days after being shortlisted. The 30 days may be adjusted on a case-by-case basis as approved by the Comptroller.

Upon management direction, the FDOT may elect to pay the non-responsive proposers a stipend before financial close. This may allow FDOT to use the non-responsive proposers' ideas.

Please refer to the following link for guidance pertaining to Design Build stipends: http://infonyet.dot.state.fl.us/tlconstruction/DB_ELOI/InstructionsForDistrictsOnStipends.pdf

f) RFP & Advertisement for DBF and BF Projects

To proceed with an RFP/advertisement, the programming of the P3 project must be complete in Work Program and a final CAS should be prepared by the OOC-FMO, Cash Forecast Section. Prior to advertisement, a fund approval is required. See next section for fund approval process.

An RFP/advertisement template for DBF and BF projects can be found on the FDOT Construction internet site at: <http://www.fdot.gov/construction/PPP/PPPMMain.shtm>

Funding is either rolled up to the first 9 characters of the FM number (Item/Segment/Phase) or will remain at the full 11-character FM number (Item/Segment/Phase/Sequence) for the CAS depending on the need to segregate as determined by the OOC. [See Part III – Chapter 34, Section C of the Work Program Instructions for detailed programming guidelines.](#)

Initial contingency pay items will not be part of the CAS and should be programmed in the budget year construction is scheduled to begin, on its own sequence number on the P3 FM number item/segment/phase.

The OOC-FMO, Cash Forecast Section will send the approved CAS to the District/Turnpike to include in the RFP. Prior to release of the RFP, the OOC must review the RFP for adequate financial provisions and will ensure that the appropriate CAS is included. In addition, the OOC-PFO must review and approve the financial section of the RFP to ensure the proper information is requested such as company audited financial statements, financial plans (sources and uses), warranties, sureties or letters of commitment or credit from financial institutions.

Once a cash flow has been issued by the OOC, no programming changes may be made on the project without approval from the OWPB and OOC. This is necessary to ensure there are no financial impacts because of the changes.

Notes about CAS:

- Cash flowed amounts for the CAS are based on the typical payout schedule based on the program plan category and sub-category of the project and on the year the funds are programmed.

- Multiple CASs will be provided in the RFP/advertisement that relate to the Item/Segment/Phase and or Item/Segment/Phase/Sequences that the firm will use to invoice.
- There is one CAS per 9 or 11-character financial project.
- Federal earmarks (such as HPP and TIMP funds) require their own 11-character financial project as well as a single federal project.
- Initial contingency pay items and potential incentive/bonus payments will not be part of the CAS. They are to be programmed in the year they become eligible to be earned.
- The CAS should also not include non-bid items such as dispute review board or partnering. These amounts should be programmed on a sequence that is not part of the CAS and will be tracked for payment separately. Bid forms should appropriately break out the bid amount that is related to the CAS items and the non-bid items for a final CAS to accurately exclude non-bid items.

g) Fund Approval for BF, DBF and DBFOM Projects

Fund approval for P3 agreements are required prior to commitment of FDOT funds, which is prior to advertisement.

Prior to moving forward with a fund approval, it is important that non-bid items are programmed on a separate FM# and are not within the CAS that will be included as part of the RFP. Some examples of non-bid items include DRB, partnering, and initial contingency. It is important for the project manager to confirm the non-bid items. By breaking out the non-bid items into a separate FM# may require a reduction of the estimate for the funding for the main construction portion of the project. These non-bid items should use current year funding.

I. Fund Approval for DBF and BF

To lock down the estimates associated with the commitments, fund approvals (current and future years) will be processed with the 11-character financial projects summarized on the CAS and recorded in the FM System. Fund approvals will be provided via email by the CFMS. Prior to obtaining the fund approval, validations of the total amounts on the CASs to the project detail within Transport (and the Production Management Processing List, as necessary) are completed by the OOC-FMO, Cash Forecast and Contract Management Manager. A request for funds approval must be submitted and approved prior to advertisement. The request must be submitted via the OOC-FMO, Cash Forecast and Contract Management Manager list and must contain all years' commitment of funds. Prior to obtaining the award fund approval, validations of the total amounts on the CAS to the request from the Contracts Administration Office are completed by the Project Cost Manager. Prior to award, a request must be submitted and approved via the CFMS to change the fund approval to a regular encumbrance adding the vendor information and modifying any funding as necessary.

II. Fund Approval for DBFOM

A request for funds approval must be submitted and approved prior to advertisement. Advertisement is considered when the final RFP is issued to all shortlisted proposers. The request must be submitted via the CFMS and must contain all years' commitment of funds. Prior to award,

a request must be submitted and approved via the CFMS to change the fund approval to a regular encumbrance adding the vendor information and modifying any funding as necessary. Special consideration is provided in the next section for fund approvals at award.

III. Fund Approval for DBFOM Changes at Execution

If during the final day(s) of negotiations the interest rates are locked in and the agreement is executed the following items may be delayed but must be done within 5 business days of contract execution and financial close: the request to add vendor information, change the fund approval to a regular encumbrance and modify any funding as necessary. The Comptroller will address circumstances that may alter this time frame on a case-by-case basis.

IV. Fund Approvals for Initial Contingency Pay Items

Funds approval for initial contingency pay items should be programmed in the budget year construction is scheduled to begin, on its own sequence number on the P3 item/segment/phase. Initial contingency will not be part of the CAS, but will be included in the P3 15% Cap calculation.

V. Fund Approvals for Incentives/Bonuses

Fund approvals for incentives/bonuses programmed on 5A phases for P3 contracts will be handled like non-P3 contracts. In the year in which the incentive/bonus payment will be made, an encumbrance request shall be submitted through the CFMS for funds approval. It is the responsibility of the Resident Engineer to ensure the funds are encumbered prior to requesting payment of an incentive/bonus. This guidance is published in the Contract Funds Management Procedure (350-020-200, section 26.1).

VI. Fund Approval for Local Funding

A P3 project may require a separate agreement with local partners that may include unique terms. If payments are due from the FDOT to a local partner involved with the project, a fund approval for the future payments must be requested.

h) Awards for DBF and BF Projects

Once bids are received and evaluated, the Procurement Office or Contracts Administration Office will send the accepted bid amount to the OOC-FMO, Cash Forecast Section. The OOC-FMO, Cash Forecast Section, will prepare a new CAS in accordance with the RFP/advertisement provisions and forward a copy to the Procurement Office or Contracts Administration to include in the awarded P3 contract.

The OOC-FMO, Deputy Comptroller will review the updated CAS with OOC-PFO, Project Finance Specialist and OWPB – FPRA, Resource Allocation (Schedule A) Supervisor for review of possible funding changes, as well as the handling of estimate funds in excess of the award.

Once a decision has been made as to the final funds to be used on the P3 project, the OOC-PFO, Project Finance Specialist will request the District/Turnpike to make any necessary program changes. In addition, the District/Turnpike will be required to initiate encumbrance changes to be processed through the CFMS to account for any variances between the original encumbrance

and the final contracted amount. The encumbrance change request should be requested through the CFMS. The CFMS will 'hold' the encumbrance approval until the changes are verified by the OOC-FMO, Cash Forecast Section and reconciled to the updated CAS. Upon approval, the CFMS will process the encumbrance change request.

Process for variances between award amounts and advertised amounts:

- When the award amounts are less than the advertised (memo encumbered) amounts, the reductions need to take place on the encumbrance before the reduced programming changes can be made.
- When the award amounts are greater than the advertised (memo encumbered) amounts, the increased programming changes need to be made before the encumbrance can be adjusted.
- Decisions made regarding use of estimate funds in excess of the award will be communicated to OWPB-WPD for dissemination to the appropriate District.

i) DBFOM STIP and TIP Amendments

The OOC-PFO Project Finance Specialist, with inputs provided by the District/Turnpike, will work with the OWPB-FAM Section, Federal Aid Manager to develop STIP and TIP Amendments.

- In order for FHWA to approve the request for authorization of federal funds on a project, FHWA must approve the STIP amendment and the final RFP prior to the final RFP being sent to the shortlisted proposers.
- The scope of the RFP needs to be determined before developing STIP and TIP amendments. If scope options are included in the project, the STIP/TIP amendments must be for the largest footprint of the project.
- The MPO's TIP amendment should be placed on the MPO Board agenda approximately 30-60 days prior to the anticipated FHWA approval of the final RFP document. In any case, no earlier than when the determination is made as to the full scope of the work to be included in the final RFP, and no later than when the final RFP is approved by FHWA.
- Once the full scope of the RFP is known:
 - OOC-PFO Project Finance Specialist and OOC-PFO Major Project Financial Plan Coordinator will develop the summary of programming and narrative used as the basis for the STIP and TIP amendments.
 - Item Segment phases can be associated a new FAP#(s). There should be a single FAP# established for the various components of the Concession Agreement, and separate FAP#(s) for needed federally financed work outside of the Concession Agreement. The District Federal Aid Coordinator will request establishment of the new FAP#(s) and will associate the appropriate Item Segments and Phases to these new FAP(s) and will generate the initial Federal Authorization Request(s). The Federal Authorization Requests need to be consistent with the STIP/TIP amendments.

- The Federal Authorization Request cannot be approved by FHWA until after the TIP amendment has been approved by the MPO Board, the STIP amendment is approved by the FHWA planners, and the final RFP is approved by the FHWA engineers.
- The final RFP cannot be sent out to the short-listed firms until the federal authorization request is approved by FHWA.
- The STIP amendment cannot be submitted for approval until the MPO Board formally approves the TIP amendment.

STIP/TIP amendments are not typically amended after the best value proposer is selected. After FHWA has concurred in the award, OWPB-FAM will adjust the initial federal authorization to the awarded amount. This process is similar for other projects FDOT traditionally procures.

It should be noted that the TIFIA loan amounts and TIFIA debt service will not be apparent in the STIP/TIP amendments. The concessionaire is the borrower on the TIFIA loan, which means the concessionaire will use the loan proceeds to finance construction of the project. FDOT will make Availability Payments to the concessionaire. The concessionaire will use Availability Payments as a source of revenue to pay the debt service for the TIFIA Loan.

j) Major Project Financial Plans

P3s that meet the definition of a major project require a FHWA Major Project Financial Plan to be approved prior to federal authorization. Major projects are defined as projects receiving federal financial assistance: 1) with an estimated total cost of \$500 million or more, or 2) that have been identified by the FHWA as a Major Project. The OOC-PFO, Major Project Financial Plans Coordinator coordinates all Major Project Financial Plans for FDOT. The [Major Project Financial Plans SharePoint](#) site has detailed information on FHWA's Major Project Financial Plan process.

20) DBFOM P3s Lessons Learned / Miscellaneous

a) Financial Close and TIFIA – Key Lessons Learned

- On the I-4 Ultimate with Express Lanes DBFOM project, the banks would not execute the swaps prior to OMB sign-off and OMB was an unknown variable. The concessionaire's model was developed to assume that bank debt would close first and then TIFIA. The interest cost on the bank debt was used to size the TIFIA eligible project costs which was used to size the TIFIA Loan. The following improvements should be made in the future:
 - Have capabilities in the bid financial model to assume a bifurcated close of bank debt and TIFIA.
 - Have TIFIA confirm the process to make sure the financial close protocol is reflective of this process.
- On I-595, TIFIA used the interest rate from the night of Mar 1 and closed TIFIA Mar 2. The swaps were executed Mar 3 around 10am, and final MAP and IRR shortly after.
- On I-4, the project had a short-term TIFIA tranche. TIFIA required that the short-term TIFIA interest rate be tied to long-stop date of the project.

- When laying out timeframes and deliverables it is best for FDOT/ Concessionaire to create a list and timeframes and have TIFIA review the information.
- On the I-4 Ultimate with Express Lanes DBFOM project, FDOT provided a common term sheet for all proposers to use to incorporate within their bids. When receiving questions from proposers and comments on the term sheet, a Q/A matrix should be developed rather than providing comments directly on the term sheet. A meeting with TIFIA and proposers prior to TIFIA approving the term sheet through the credit committee should be discussed with TIFIA. On the I-4 Ultimate with Express Lanes project, FDOT had a meeting with TIFIA and proposers after the credit committee approved the baseline TIFIA term sheet and proposers. There were some items that were discussed during the meeting in which FDOT had to provide a supplemental to the baseline TIFIA term sheet within the Instruction to Proposers.
- FDOT was required to obtain an indicative rating of the shadow bid model. Special consideration of what rating would be received from the rating agency must be taken into account.

b) Interest Rate Verification

FDOT has used the Division of Bond Finance's contract for the municipal advisor to help with this process.

c) Florida's Commitment to P3 Projects in Legislative Appropriation Process

Questions may be raised during the financial close and procurement process regarding FDOT's appropriation process. The [P3 SharePoint](#) site contains materials that were used during the I-595 and PortMiami Tunnel financial closes to help educate lenders on the appropriation process. Information shared during the I-4 Industry Forum is also saved within this file. Note that information may need to be updated prior to external distribution.

d) Swap Breakage

If a DBFOM project used bank debt financing within the financial structure, it is likely that the concessionaire entered into a swap agreement. Bank debt usually uses variable (floating) interest rates which may expose the concessionaire to risk. The concessionaire may enter into a swap agreement to trade the bank debt's variable interest rate with a fixed interest rate. Under certain circumstances under the concession agreement, the cost of breaking the swaps may need to be calculated. For example, if the concessionaire decides to refinance its bank debt prior to the end of the term of the swap, the concessionaire will have to pay a swap breakage fee as part of the cost of the refinancing. This fee may be a large fee and may have an impact on a portion of FDOT's refinancing gain and should be verified by FDOT's financial advisor.

Swaps are priced using a forward curve, which is derived directly from the current spot rate curve (spot rates are fully transparent). The swap notional values (which were hedged for the tranches of debt) and the current-market forward rates for the swaps will need to be determined. The swaps are then marked to market (brought to the current market value) and the breakage is determined by comparing the current market to the existing fixed rates that the concessionaire locked in at

the financial closing. External financial advisors have the capability to perform diligence on behalf of the FDOT to ensure that pricing is within market.

e) Reimbursement of FDOT Costs

In the DBFOM P3 concession agreements, there may be certain situations in which FDOT can be reimbursed by the concessionaire for costs incurred by FDOT if the Concession Agreement requires such reimbursement. Depending on the nature of the cost, special consideration should be given as to whether FDOT can offset a payment that is due to the concessionaire for the amount that is due. If FDOT invoices the concessionaire for costs incurred by FDOT, the OOC-GAO should be notified when an invoice is issued to the concessionaire.

f) Large Scale Funding Changes Post-Financial Close

Throughout the life of a DBFOM P3, there may be a need to make material changes to the project's programming and/or funding mix. In these instances, it is beneficial to run scenarios through the force flow model to identify potential programmatic limitations (i.e. limits on the use of federal funds) associated with the project. Working closely with OWBP to model programming and funding changes within the force flow will minimize the need for future programmatic changes and optimize the use of funding resources.

21) Locally Funded Agreement / Unique Agreements for P3 Projects

a) Locally Funded Agreements – Utility Relocations

In accordance with Sections 337.403 and 337.404, F.S., utilities unreasonably interfering in any way with a FDOT project are required to be removed/relocated, usually at the UAO's expense, after notification. Since P3 projects are advanced, the District/Turnpike office needs to provide notice of the advance to the UAO. The UAO may relocate the utility or have FDOT include the relocation in the P3 Project. The latter is accomplished by the UAO and FDOT entering into a LFA and the UAO providing funds (Local) in the amount of the estimated relocation costs to FDOT in advance of the project advertisement.

If the UAO is a local governmental entity and is financially unable to perform or fund the required work due to financial hardship, the sequential steps as outlined in Procedure No. 710-030-005, "Utility Work for Local Government Utilities" should be followed. Once the default has occurred, the Work Program funding code shall be LFD if the required funding is in a future year or LFU if the funding is in current year. District/Turnpike allocated funds will be required as an offset to be used for the LFU until repaid.

If the UAO is a local governmental entity that has budgeted for the utility work as originally scheduled in the Work Program and is unable to immediately fund the utility work because of cash flow issues created by the project advancement, FDOT may enter into a "Deferred Utility Relocation Expense Reimbursement (including interest) Agreement" with the UAO. These agreements allow for the upfront use of FDOT funds for the utility relocation with the UAO repaying the FDOT, with interest, at the time originally programmed. The Work Program funding code will

need to be changed to LFU and District/Turnpike Allocated Funds will be required to be used until repaid. Deferred Payment Agreements are coordinated by the Deputy Comptroller, OOC-GAO. Again, the Florida Constitution prohibits the FDOT from providing financial assistance to non-governmental entities.

b) Locally Funded Agreement – Interest

P3 projects with locally-funded contributions that include an assumption for interest earnings will be monitored regularly by the OOC- PFO and OOC-GAO, Locally Funded Agreements Section. If interest earnings are not projected to meet the forecast, an annual adjustment to the programming will be made to cover the shortfall. Any adjustment shall be coordinated with the OOC-PFO, Project Finance Specialist.

c) Locally Funded Agreement – Other

P3 projects can often include a scope of services that may require a local government’s participation in the project costs. FDOT routinely enters into agreements with these governmental entities which require the deposit of local funds with the FDOT to fund the project specified in the agreement. The specified project agreement shall be completed prior to entering the request for fund approval of the project. Financial provisions in the agreements establish criteria for the deposit and maintenance of the funds to be used for the project. The cash contribution must be provided to FDOT prior to entering the request for fund approval. In the event the cash contribution is not provided prior to entering the request for fund approval a form of security, such as a letter of credit, must be provided by the governmental entity. If local funds are not yet received, alternative funding sources may be the SIB or district funds.

Project Managers should work with the local entities and ensure that the guidelines outlined in the Locally Funded Agreements Financial Provisions and Processing procedure, Topic No. 350-020-300, are adhered to and that funds are received timely. All exceptions to the financial provisions as outlined in the LFA procedure must be pre-approved by the OOC-GAO.

Should cash funding issues related to these locally funded agreements occur, they will be dealt with on an individual basis.

d) Unique Agreements for P3 Contracts

The following P3 projects have unique agreements with local entities that stipulate funding requirements:

Table 8: P3 Projects and Unique Agreements

Project	Agreement
PortMiami Tunnel	Master Agreement between FDOT, City of Miami and Miami-Dade
PortMiami Tunnel	Joint Participation Agreement between Miami-Dade and FDOT

I-4 Ultimate with Express Lanes	Interlocal Agreement with Central Florida Expressway Authority
I-4 Ultimate with Express Lanes	Addendum to the Project Agreement (FHWA Agreement)
I-4 Ultimate with Express Lanes	Project Oversight Agreement (FHWA Agreement)
I-395	Project Specific Agreement between Miami-Dade Expressway Authority and FDOT

The P3 SharePoint contains information on these agreements as well as relevant correspondences. Please visit the [Unique Agreements for P3 Contracts](#) folder in the P3 SharePoint.

22) Records Retention

a) Process for Design-Build-Finance P3

Effective December 2012, the OOC-PFO is responsible for retaining the submitted financial proposal records included in RFP proposal submissions for P3 agreements. Per the FDOT Retention and Disposal Schedule ([located here](#)), successful financial proposal records are retained for ten (10) anniversary years after awarded provided applicable audits have been released while unsuccessful bid financial proposal records are retained for five (5) fiscal years after awarded provided applicable audits have been released.

- An RFP typically requires the proposer to send one digital copy of the financial proposal to the District/Turnpike.
- Upon receipt of an RFP, the District/Turnpike immediately emails the digital copy of the financial proposal and a copy of the Design-Build Proposal Form (700-010-65) for the firm with the lowest adjusted score to the OOC-PFO, Project Finance Manager.
 - OOC-PFO saves the digital copies of the financial proposal in the project's RFP folder within a subfolder called Successful Bid.
- Subsequently, the District/Turnpike sends by FDOT courier all the disks/flash drives with the financial proposals and a copy of the Design-Build Proposal Form (700-010-65) to the OOC-PFO, Project Finance Manager.
 - OOC-PFO saves the digital copies of the remaining financial proposals to the project's corresponding folder.
- Upon contract execution, the OOC-PFO updates the project's folders to include the contract execution date in the folder name.
- Records are retained for the specified number of years as provided in the Retention and Disposal Schedule.

b) Notes from DBFOM P3 Projects – RFP and RFQ Evaluation

The District/Turnpike in which the project is procured will hold original copies of the proposals. Notes from FDOT employees or advisors that are in response to evaluating the RFP and RFQ should be retained in accordance with the Florida Department of State General Records Schedule GS1-SL for State and Local Government Agencies. Notes will be retained in the respective areas (Finance, Legal and Technical).

c) Financial Model Escrow for DBFOM P3 Projects

The DBFOM P3s have financial models that are part of the concession agreement. These models are held in an escrow account. The model held in escrow should be the model used when calculating financial implications on the project. The models for the following projects are held in the following escrows:

Table 9: DBFOM P3 Project Financial Model Escrow

Project	Escrow Location
I-4 Ultimate with Express Lanes	U.S. Bank – Electronic Escrow
I-595 Original Model	Nossaman (FDOT legal advisor) and the Concessionaire’s legal advisor
I-595 Refinancing Model	Nossaman (FDOT legal advisor) and the Concessionaire’s legal advisor
PortMiami Tunnel	Project Finance Office and Concessionaire’s legal advisor

d) P3 Contract and Associated Financing Documents

The executed P3 contract and associated financing documents are owned and managed by the District in which the P3 project is located and therefore are to be retained in the respective District. The Project Finance Office will also retain a copy of the P3 contract and associated financing documents for its records and use as well.

23) P3 Force Flow Models

The Force Flow models are Excel financial models used to forecast when Milestone, Periodic, Final Acceptance and Availability Payments will be made for DBFOM P3s. The forecasted amounts can be viewed monthly or annually depending on how a user wants to view them. Historical payment information is also contained within the models.

The Models break down the forecasted payment amounts by fund types programmed on the Project. These financial models also apply a hierarchy of fund consumption that dictate in what order the funds will be consumed as payments are made. Programmed funds are applied in the following order:

- Toll funds
- Federal Funds (included AC funds)

- Turnpike and Local Funds
- District and State Funds

The Finance Plan Coordinator within the Office of Work Program and Budget uses the Model outputs as inputs for the STTF Finance Plan.

The Cash Forecast Analysts within the Financial Management Office uses the Model outputs as inputs of the monthly Cash Forecast.

24) Invoicing and Payments

a) Vendor Registration in MyFloridaMarketPlace (MFMP)

In order for FDOT to set up encumbrances and for vendors to receive payments on P3 contracts, the vendor must register in MFMP. This process must be completed at least three business days before the financial close of the project so the funds can be fund approved before the contract is executed. The vendor must go to the following DMS website to register: <https://vendor.myfloridamarketplace.com/vms-web/spring/login.jsessionid=DB09DC6870C3B2112674413B366500FD.jvm2?execution=e1s1>.

b) Establishing Account for Payments

I. DBF and BF Agreements

Prior to contract execution, the P3 contractor must establish an account for payments using one of the following forms as instructed below:

The contract default is for payments to be paid to a project specific escrow account. The P3 contractor must complete form #700-011-16 (for DBF agreements) or #700-011-16B (for BF agreements), as appropriate, and send the completed form to the District/Turnpike Construction Engineer, and a copy to the OOC-DOO at 605 Suwannee Street MS #42, Tallahassee, FL 32399-0450. EFT is not available to vendors if the payments are to be mailed to an escrow account.

If a vendor is requesting funds to be paid **directly** to its firm's primary vendor account then it must get its surety and lender's concurrence completing form #700-011-17 (for DBF agreements) or #700-011-17B (for BF agreements), as appropriate, and send the completed form to the District/Turnpike Construction Engineer, and a copy to the OOC-DOO at 605 Suwannee Street MS #42, Tallahassee, FL 32399-0450. [Note: Such payments to the firm will be made by EFT only if the firm currently or subsequently established EFT with DFS. (See section 23(c) for additional details.) Otherwise, such direct payments will be made by warrant and shall be mailed directly to the address provided on the above referenced forms.]

Upon receipt of the above form, the OOC-DOO will verify the following information in FLAIR:

- The remittance address has been established correctly
- The sequence number that corresponds with the remittance address has been used on the related encumbrance

- The sequence number accurately signifies whether the payment should be EFT (the EFT indicator must be “N” for payments made to vendors that are being sent to an escrow account)

If any discrepancies are found, the OOC-DOO will work with the vendor, DMS and/or DFS as necessary to resolve the issue. This includes making necessary updates to the vendor sequence in FLAIR to ensure proper use of EFT. See section 23(c) for additional details.

II. DBFOM Agreements

Payments may be paid by either a warrant or EFT. If the vendor wishes to receive payments by EFT, then the procedure below should be followed.

c) Payment Method (Warrant or EFT)

EFT is not available to vendors if the payments are to be sent to an escrow account. Vendors will be, by default, paid with a warrant for work performed. If the vendor wishes to receive their payments by EFT then they must complete the required “Vendor Direct Deposit Authorization” form located at: <http://www.myfloridacfo.com/Division/AA/Vendors/>. The vendor should contact DFS at (850) 413-5517 or email DirectDeposit@MyFloridaCFO.com if assistance is needed. (Direct deposit becomes effective in approximately 4 to 6 weeks following DFS’ receipt of the completed form.) Notify the OOC-DOO after the form is completed and submitted to DFS. The OOC-DOO will monitor FLAIR for updates to the payment indicator to help ensure that the direct deposit request has gone through and FLAIR has been updated. The OOC-DOO will work with the vendor, DMS and/or DFS to make sure the vendor is correctly set up within the MFMP and FLAIR systems along with making sure the encumbrance files have been updated correctly.

d) Invoicing Requirements

I. DBF and BF Agreements

Each billing period, the P3 contractor (vendor) must submit an invoice for the lesser of the amount earned and the cash available per the CAS. The FDOT Project/Contract Manager should review the invoice to ensure compliance with the contract. If the FDOT Project/Contract Manager approves the invoice, then they will submit a payment request to the OOC-DOO.

Before sending a payment request, the FDOT Project/Contract Manager should make sure the following requirements are verified:

- The contract must be executed and show a status code of 10 or 11 in the CFM.
- Sufficient funds must be encumbered in the FLAIR subsidiary (6S) file. Contact the OOC-CGFM, Contract Funds Management Section, if the 6S file is incorrect or a change is required.
- The invoice must be legible and state the vendor’s name and address.
- The vendor name on the invoice must agree with the vendor name stated in the contract, FLAIR encumbrance subsidiary ledger file (6S) and FLAIR vendor statewide file (VS).
- The vendor's remittance address on the invoice must agree with the vendor's remittance address in the FLAIR vendor statewide file (VS).

- A clear description of the charges being billed.
- A description of the services dates must be included on the invoice.
- Numerical descriptions, acronyms and abbreviations are not acceptable.

After verifying the above requirements, all payment requests must be accompanied by the following documents:

- Form # 350-060-02 (Summary of Contractual Services Agreement/Purchase Order Receiving Report and Invoice Transmittal - Contracts).
- Invoice from the vendor.
- Site Manager estimate (the estimate will be used as a "Receiving Report").
- Standard monthly certification of prior payments.
- Current CAS.
- Any related reports from the vendor that the project manager wants to include with the payment.

The payment request package can be submitted by mailing a hard copy to the Disbursement Operations Office, MS 42 or by email to the Contract Payment Manager and Contract Payment Section.

II. DBFOM Agreements

For each billing period, the P3 contractor must submit an invoice as per the concession agreement terms. The FDOT Project/Contract Manager should review the invoice to ensure compliance with the contract. For AP and Quarterly Settlement invoices, the FDOT Project/Contract Manager will forward the invoice to the PFO to verify the AP and Quarterly Settlement amounts. Upon confirmation from PFO and if the FDOT Project/Contract Manager approves the invoice, then they will submit a payment request to the OOC-DOO, Contract Payment Manager and Contract Payment Section.

Before sending a payment request, the FDOT Project/Contract Manager should make sure the following requirements are verified:

- The contract (and supplementals) must be executed and show a status code of 10 or 11 in the CFM.
- Sufficient funds must be encumbered in the FLAIR subsidiary (6S) file. Contact the OOC-CGFM, Contract Funds Management Section, if the 6S file is incorrect or a change is required.
- The invoice must be legible and state the vendor's name and address.
- The vendor name on the invoice must agree with the vendor name stated in the contract, FLAIR encumbrance subsidiary ledger file (6S) and FLAIR vendor statewide file (VS).
- The vendor's remittance address on the invoice must agree with the vendor's remittance address in the FLAIR vendor statewide file (VS).
- A clear description of the charges being billed.
- A description of the service dates must be included on the invoice.

- Numerical descriptions, acronyms and abbreviations are not acceptable (including an Acronym legend along with the invoice is acceptable).

After verifying the above requirements, all payment requests must be accompanied by the following documents:

- Form #350-060-02 (Summary of Contractual Services Agreement/Purchase Order Receiving Report and Invoice Transmittal - Contracts).
- Invoice from the vendor.
- Site Manager estimate (the estimate will be used as a “Receiving Report”).
- Standard monthly certification of prior payments.
- Any related reports from the vendor that the project manager wants to include with the payment.

The payment request package can be submitted by mailing a hard copy to the Disbursement Operations Office, MS 42 or by email to the Contract Payment Manager and Contract Payment Section.

e) Payment Approval

Form #350-060-02 (Receiving Report and Invoice Transmittal - Contracts) must be signed by an authorized official that has authority to approve the expenditure of funds from the cost center that the contract is being paid.

The authority is granted through Form #350-000-05 (Payment Document Authorization Form) which must be on file with the OOC-DOO.

f) Payment Processing by OOC-DOO

Each P3 payment request is reviewed by the OOC-DOO before the payment is processed to ensure that the expenditure is in compliance with the contract.

The payment request is also forwarded to the OOC-GAO for its review and approval, as described below.

After both offices have reviewed and approved the payment request the OOC-DOO will enter the payment into FLAIR and forward the request to the DFS for their approval.

DFS has agreed to give P3 payments priority processing due to the sensitivity of the contract and material dollar amounts, and it will attempt to approve the payment within three days of receipt instead of its standard 10 days it has to authorize payments.

g) OOC-DOO Processing of Receiving Reports and Invoice Transmittal

Each P3 payment request is reviewed by the OOC-DOO before and after the payment is processed to ensure that funds are disbursed in accordance with the contract and the CAS. The following are the steps taken in the review as well as the specific information used to ensure accuracy of financial related information:

Review and Verification of the Receiving Report and Invoice Transmittal - Contracts (RRIT) to the Financial Management System information and Encumbrance Information in FLAIR (State Accounting System):

- Contract number
- Financial Project number
- Work activity number (FCT or EOB)
- RRIT vs. Encumbrance in Subsidiary File (6S)
- Participating/non-participating batch character (B)
- Work Program pay sequence, which controls the utilization of funding on individual Financial Projects
- Fund authorization
- Available funds per CAS
- Correct use of funds in the following priority order:
 - Federal Earmarks
 - Regular Federal Funds
 - Local
 - Federal AC
 - Bond Funds
 - State

Reply via e-mail to the OOC-DOO with the FLAIR payment processing instructions.

To ensure the expenditures update the funds pursuant to the CAS the OOC/GAO/PCM section reviews fund allocation reports after payment processing. If cost transfers are needed the affected Districts/Turnpike is notified to perform the transfers. The Federal Billing section is also notified if the transfers involve federal funds.

Along with the review of the CAS funding the following special circumstances are also reviewed.

- SAs, Regular and Contingency
- Negative fuel & bituminous payments
- Crash Attenuator repairs/replacement
- Composite pay factor adjustments
- Dispute Review Board Meetings

These special circumstances are included as 'tracked' (not flowed) in the CAS.

h) Fuel & Bituminous Adjustments for DBF and BF Projects

Monthly fuel and bit adjustments will be tracked and reported as a running total throughout the term of the contract. The net of the adjustments, whether positive or negative, will be determined at final acceptance and applied to the final cash availability payment. If the final payment request includes a credit amount for a fuel and bit adjustment it will be processed according to the debit amounts included in the RRIT. Due to limitations of the FLAIR system, any credit to fuel & bit may need to be "adjusted" (Flair correction TR 51/58) after payment processing. Credits cannot stand alone and must be processed with a payment to the vendor using the same accounting

information for both transactions that net to a positive amount. Thus, the accounting data for the positive amount drives these accounting transactions.

Example: A final payment to a vendor of \$100 for work in the current year is to be made from an encumbrance in FY 07; a net credit for fuel & bit of \$25 would also have to come from FY 07 creating a net payment of \$75. In this example, there would be 2 accounting transactions created. One showing a payment of \$100 from the FY 07 encumbrance line for the current work done and an unencumbered credit of \$25 (FY 07) for the fuel. After FM is updated, a correction will generally be required to move the fuel adjustment to the appropriate funds reflected in the CAS.

The following is the process required for OOC-DOO to process negative fuel & bit payments.

- The OOC-DOO will review the payment request for payment criteria and forward to OOC-GAO for cash flow review.
- OOC-GAO will review cash flow and approve payment with instruction to OOC-Disbursement Operations Office for corrections (TR 51/96), if needed.
- Reminder: If corrections are required there will be timing issues to consider before decisions are made per the cash flow. There could be a delay of several days before all updates are completed.

i) Offer of Final Payment Letters

To ensure the appropriate format for the final payment letter, each P3 Project Manager should work with their District/Turnpike legal office. A special letter has been created for P3 projects and differs from the standard offer of final payment letter. Please see Chapter 14 of Topic No. 700-050-005, Review and Administration Manual located at <https://www.fdot.gov/construction/manuals/finalest/review-admin/review-admin.shtm>.

Each P3 offer of final payment letter must be sent to the OOC-DOO and OOC-FMO to be reviewed before it is sent to the vendor. A copy of the last Site Manager estimate will need to be sent with the letter.

The OOC-DOO will review the letter to ensure that the total amount earned matches the accounting records.

The OOC-FMO will review the letter to ensure that the amount offered for final payment agrees with the latest CAS and is reconciled to the FM System. The District/Turnpike will be contacted to aid in the resolution of any un-reconciled items. The OOC-FMO will prepare a final payout schedule to be attached to the offer letter. This schedule will communicate to the P3 contractor the amounts and timing of payments still available per the P3 contract.

After both offices have reviewed and approved the offer of final payment letter, it will be returned with the payout schedule to the District/Turnpike for execution.

j) Forms

The following forms may be accessed from the FDOT's [Forms Library](#):

- Form 350-000-05, Payment Document Authorization Form
- Form 350-060-02, Summary of Contractual Services Agreement/Purchase Order Receiving Report and Invoice Transmittal - Contracts
- Form 350-080-14, Application for Refund of a Deposited Receipt
- Form 700-011-16, DESIGN BUILD FINANCE Firm Request For Project Specific Escrow Account and Unique Vendor Number Sequence for All Department Payments to Be Made On Contract #
- Form 700-011-16B, BUILD FINANCE Firm Request For Specific Escrow Account and Unique Vendor Number Sequence For All Department Payments To Be Made On Contract #
- Form 700-011-17, DESIGN BUILD FINANCE Firm Request for Direct Payment to Firm's Primary Vendor Account For All Department Payments To Be Made On Contract #
- Form 700-011-17B, BUILD FINANCE Firm Request for Direct Payment to Firm's Primary Vendor Account For All Department Payments To Be Made On Contract #

25) Closing Process

The District will initiate the closing process by sending the Official Final Offer Letter to Contract Payments Section. This letter is prepared after construction is complete and will specify project item numbers and confirmed dollar amounts to be paid, signed by both the P3 contractor and district. The OOC-Contract Payments section will forward this information to both OOC-Cash Forecasting Section and OOC-PFO, Project Finance Specialist, and OWPB-WPD. At this point in the process, the programming will be adjusted based on the Final Offer Letter; however, the encumbrances are still needed to pay out the remaining CAS so the contract will not close until the last payment has been made. The Project Manager will email Contract Payments Section to confirm the last payment. Once Central Office and the District agree that everything is finalized and no more payments will be made, the P3 contract can be officially closed with the OOC-Statewide Contracts, Grants, and Funds Manager changing the project to a Status 52. PFO will be notified once the status is changed and any corresponding documentation will be updated to reflect this change.

26) Financial Statements

The [P3 SharePoint site shared documents GASB and Financial Statement Information](#) includes resources for how to record P3s in the state's financial statements.

a) Purpose

To ensure that all entries are made to FDOT's accounting records for P3 projects so that assets are recorded pursuant to [GASB 34](#).

b) Background

FDOT has used short-term BF and DBF projects and long-term DBFOM projects with Availability Payments. In 2009, FDOT entered into two significant P3 agreements, for the I-595 and the PortMiami Tunnel, both DBFOM projects.

As is the nature of the DBFOM agreements, the concessionaire is not fully compensated during the construction period and the concessionaire provides funding for the majority of the construction phase. With a typical infrastructure project, an asset is recorded in infrastructure/work-in-progress as payments are made during the construction phase, and flow through the normal infrastructure entry process at fiscal year-end.

c) Procedure

I. Pre-meeting with Financial Statement Team

When there is a new P3 project, the OOC-PFO, Project Finance Specialist, the OOC-GAO, and OOC-DOO should meet to discuss any unique features of the project including impacts to normal FDOT processes. The Financial Reporting Director of the FTE should also be included if there is FTE participation on the project. An additional meeting should also be scheduled when a project reaches a point that may have an impact on the financial statements (like when a DBFOM projects reaches substantial completion). This meeting should happen before fiscal year end (June 30th.) Please refer to the “Financial Statement To-Do” list for a list of people that should attend the meeting.

II. Infrastructure Report Logic

The OOC-GAO, Financial Reporting Administrator maintains desk procedures for the compilation of data used in determining the amount to record in the State’s financial statements for FDOT’s infrastructure assets using the modified approach in accordance with GASB 34. These desk procedures provide the specific logic applied to expenditure data to determine amounts to record for infrastructure, as well as right-of-way and work-in-progress. The OOC- PFO, Project Finance Specialist should obtain a copy of these instructions at least annually to ensure there are no changes that may impact the reporting requirements for P3s. The procedures also include particular fund codes and work mixes that may or may not be part of the asset, as well as any other Work Program fields included or excluded from the calculation.

The FDOT’s infrastructure assets include:

- Roadway, bridges, tunnels, drainage systems, water and sewer systems, dams, street lighting systems;
- All assets along or near the network such as lights, guardrails, signs; and
- All assets used to monitor or control the network such as cameras, sensors and other equipment.

Data for DBFOM P3s may be in the Infrastructure Report. The OOC-PFO, Project Finance Specialist should provide a list of financial management numbers of DBFOM P3 projects so OOC-GAO, Financial Reporting Administrator can adjust the Infrastructure Report to ensure no double counting of information that may be contained in the OOC-PFO, Project Finance Specialist’s workbook.

d) Workbook Maintained by OOC-PFO, Project Finance Specialist

The OOC-PFO, Project Finance Specialist maintains a workbook of all P3s that the OOC-GAO, Financial Reporting Administrator will use for accounting entries. The purpose of the workbook is to:

- Identify the asset and the liability portions of the DBFOM projects;
- Prorate the dollar value of the liability and asset for DBFOM projects based on the amount of work that has been completed on the project;
- Identify the short-term and long-term portions of the liability for DBFOM projects;
- Identify interest and principal portions of payments for DBFOM projects based on an imputed interest calculation;
- Breakout between tolled versus non-tolled portions of the asset and relevant expenses;
- Determine O&M expenses for DBFOM projects;
- Provide the status update on the progress of each project; and
- Provide relevant information for notes to the State's ACFR pertaining to P3s.

Information to create the workbook comes from a variety of different sources as noted below.

e) Recording Assets/Liabilities for Short-term BF and DBF projects

The OOC-GAO gathers information on BF and DBF P3 projects and compiles into a spreadsheet that breaks down short term and long-term liability on each P3. OOC-GAO will pull data from the CAS and OOC-DOO payment tracking logs to determine the liability. This information includes cumulative data through the June 30th reporting period for: construction work completed, and total payments paid to the P3 contractor. This information should also include P3s that have been fully repaid. While this information may include payments on the DBFOM P3s, the information is primarily used for DBF and BF projects.

OOC-DOO generates this information by keeping a separate payment tracking log for each of the P3s. Each payment is listed and a running total of the "amount of work completed" and "total amount paid" to date is tracked. DBFOM P3s do not include an amount of work completed because these P3 contractors do not submit monthly estimates. These numbers include supplemental agreements and fuel and bituminous adjustments. These numbers include all payments made on the contract regardless of funding sources. A FIDO report for each contract is run at the time of reporting to verify that the total expenditures listed in FLAIR match those on the tracking logs.

The amount of work completed on DBF and BF projects is compared against the payments that have been paid to the P3 contractor. If the work that has been completed is greater than the work that has been paid, FDOT records an asset and liability. The liability is allocated between short-term and long-term based on the timing of when FDOT plans to make payments. The liability is considered short-term is if it will be paid in the fiscal year subsequent to the fiscal year that just closed. The remaining liability will be considered long-term. The CAS saved on the P3 SharePoint site to determine the short-term and long-term portions of the liability. The total payments made to the P3 contractor recorded by the OOC-DOO should match the total expenditures on the CAS.

For DBF/BF projects, supplemental agreements may be paid on a pay-as-you-go basis or financed by the P3 contractor with a future payment in the CAS. The inputs gathered by OOC-GAO for the BF and DBF spreadsheet will include payments made on supplemental agreements and work completed but not paid on supplemental agreements. The OOC-GAO, Financial Reporting Administrator records the assets and liabilities related to these projects, then removes the entries in the subsequent fiscal year. This process captures the incremental increase in the projects. Removal each year is necessary because once a payment is made, the payment will flow through the normal infrastructure process mentioned above in the Infrastructure Report Logic; otherwise, the asset will be recorded twice.

When construction is complete on DBF/BF project, FDOT may still owe future payments to the P3 contractor. The CAS will be used to determine the final asset amount to record for the project. Future payments that are made on DBF/BF projects that have been capitalized as completed assets, should be excluded from the Infrastructure Report Logic mentioned above.

Special consideration should be made when a DBF/BF projects have Local Funds within the amount provided by OOC-DOO and the OOC-GAO, LFA Administrator provides local funds to be capitalized to ensure no double counting of information.

f) Recording Assets/Liabilities for Long-term DBFOM Projects with Availability Payments

Information used to record the asset and liability amounts for DBFOM Projects with Availability Payments are not captured through FDOT's traditional reporting systems because the concessionaire does not provide monthly estimates and the project is not paid out on a pay-as-you-go basis. Supplemental information from the concessionaire's financial model, TIFIA financial plans or other sources is needed from the concessionaire to generate the information for recording DBFOM with Availability Payments assets. For the I-4 Ultimate with Express Lanes DBFOM project, the concessionaire is contractually required to provide FDOT information for financial statement entries.

Costs incurred during the construction period are compared to the payments paid (if any) during the construction period. If more work has been completed than amounts paid, FDOT will record an asset and a liability. The asset will include costs to build the project and will not include any during construction O&M costs (these will be expensed). The liability will include costs incurred during the construction period, financing costs, and construction period O&M costs. The liability will be allocated between short-term and long-term based on the timing of when FDOT plans to make payments that will pay down the liability. The portion of the availability payment (referred to as CapEX AP) that is allocated in FDOT's Work Program to reimburse the concessionaire for financed construction period costs will be used to pay down the liability. The CapEX AP is allocated between principal and interest based on an imputed interest formula in the OOC-PFO, Project Finance Specialist's workbook. The concessionaire may also use payments received at final acceptance (Final Acceptance Payments) to pay down their debt. These Final Acceptance Payments will also be used to pay-down the liability and an imputed interest formula is used to determine the principal and interest components of the payments.

While substantial completion means the project is open to traffic and FDOT begins paying an Availability Payment, the asset will be complete when the project reaches final acceptance. This

is because there may be punch-list items between substantial completion and final acceptance that the concessionaire must complete in order for the project to be complete.

The Infrastructure Report Logic includes all payments made on P3 projects, including supplemental agreements. For DBFOM projects, supplemental agreements may be financed by increasing the Availability Payment or paid on a pay-as-you-go basis. For PortMiami Tunnel and I-595, supplemental agreements are paid on a pay-as-you-go basis, the OOC-PFO, Project Finance Specialist has excluded that information from the workbook since it has been included in the Infrastructure Report Logic. For I-4 Ultimate with Express Lanes the OOC-PFO, Project Finance Specialist will include supplemental agreements within the workbook and provide the financial management numbers to OOC-GAO, Financial Reporting Administrator to exclude from the Infrastructure Report Logic.

The Availability Payments represent payments for services the concessionaire performs during the O&M period. The concessionaire uses these payments to pay for the cost to maintain the facility as well as pay down their debt. Therefore, an expense will have to be recognized for the imputed interest and O&M costs. The principal portion of the payment will be used to reduce the liability. The interest portion of the Final Acceptance Payments will also need to be expensed and the principal portion of the payment will be used to reduce the liability.

g) Projects Funded with Local Sources

Projects may be funded with local sources for the following reasons: 1) to expedite the construction of the project that is owned by the local entity; 2) construct a portion of the project owned by FDOT; 3) for FDOT to provide a service. The OOC-GAO, AR/LFA Administrator, maintains a list of projects funded with local sources that are considered FDOT's asset. Local funds or fund codes beginning with LF are manually excluded from the Infrastructure Report Logic. The list maintained by the OOC-GAO, AR/LFA Administrator, is used to capitalize costs paid with local sources. Unless otherwise noted, the OOC-GAO, AR/LFA Administrator, will include P3 projects in the list that are funded with local sources when the asset remains with FDOT upon construction completion.

The PortMiami Tunnel project has local fund contributions for the project. Even though FDOT owns the project after completion, the OOC-GAO, AR/LFA Administrator has excluded that project from their spreadsheet. This is because the OOC-PFO, Project Finance Specialist includes this information in the workbook as part of the payments and all payments paid that flow through the Infrastructure Report are backed out.

h) O&M and Renewal Work

P3 agreements may include provisions to perform O&M work during the construction period. DBFOM with Availability Payments agreements include an operating period once construction is complete which requires a concessionaire to perform O&M and renewal work activities. Some examples of renewal work include resurfacing, replacement of Intelligent Transportation System devices and bridge repairs.

When O&M work is performed during the construction period, the costs are broken out separately from the construction costs and expensed (excluded from the cost of the asset). If construction

period O&M work is not paid for during the construction period, then it will also be included as part of the liability reported for the project. Additional information from the P3 contractor, concessionaire or FDOT project manager may be needed to do an accurate breakout of the costs.

Ongoing overhead costs provided by the concessionaire will be proportionally allocated between the asset and construction O&M. This allocation is calculated in the financial statement workbook by the OOC-PFO, Project Finance Specialist.

For DBFOM agreements where FDOT makes Availability Payments during an operating period there may be an O&M component to those payments. FDOT will expense the O&M portion of the Availability Payment that is coded as a phase 82 or 72 in the Work Program. The Availability Payments may also be used to pay for renewal work. The portion of the payment that is used to pay for renewal work costs should be expensed.

Some projects may include resurfacing of existing lanes as part of the project. For example, there may be a two-lane road that is resurfaced and widened to four-lanes. The resurfacing cost for the existing lanes are expensed and the cost associated with the two additional lanes is capitalized as infrastructure.

Because of the nature of P3s and how they may be programmed in the Work Program, certain reporting requirements may not be fully captured in the Work Program that are needed to identify how expenditures should be reported. The OOC-PFO, Project Finance Specialist should be aware of these items and agreed nuances should be documented and posted on the P3 SharePoint GASB and Financial Statement Information folder.

i) Payment Timing Cutoff

Availability Payments will utilize funds in the year the Availability Payment is associated with. For example, if a payment for June 2021 Availability Payment is paid in July 2021, funds will be utilized from Budget Year 2021 as opposed to Budget Year 2022.

j) Projects with Tolled Express Lanes

Projects may include construction of new lanes that will be tolled. Once construction is complete, the value of the asset that is tolled should be transferred to a proprietary fund. The OOC-PFO, Project Finance Specialist should obtain information from the FDOT project manager to determine the value of the asset that is tolled. For DBFOM P3 projects, the OOC-PFO, Project Finance Specialist will maintain a separate accounting for tolled projects in the workbook. The separate accounting should also include O&M costs paid from toll revenues. Documentation on the methodology used to determine the tolled portion of the project should be maintained for audit purposes.

k) DBF, BF and DBFOM Projects with Turnpike Funding

DBF, BF and DBFOM P3 projects may include Turnpike Funding. This funding may be injected during the construction period or after construction is complete. The OOC-GAO, Financial Reporting Administrator, OOC-PFO, Project Finance Specialist and the Financial Reporting Director of the Florida Turnpike Enterprise (FTE) should meet and discuss how to handle the

recording of work-in progress and the asset with Turnpike Funding. This meeting should happen after contract execution.

On the I-595 project, all costs were being recorded in work-in progress in FDOT's financial statements. After construction was completed on the project and FDOT began making payments, FDOT allocated a portion of the project between Turnpike and FDOT. For the I-4 Connector project, Turnpike's portion of the project was recorded in Turnpike's financial statements when Turnpike's contribution was expended.

I) Financial Statement Reporting

The OOC-GAO, Financial Reporting Administrator will use the information provided by the OOC-PFO, Project Finance Specialist to make the financial statement entries. Recording of P3s should be in accordance with Department of Financial Services "Capital Asset and Long-Term Debt Accounting Entries" available on their website.

Historically, the following outlines the way FDOT has handled the reporting. If methodologies or accounting standards change, the method will need to be updated to reflect those changes.

Removing an Asset or Changing Financial Statements as a Result of New Construction:

FDOT uses the construction costs based on the improvements to the new facility and allocates those costs between new lanes and improvements to existing lanes. However, for DBFOM projects, FDOT has decided to remove the old infrastructure as a whole and add the total of the new project based on the OOC-PFO, Project Finance Specialist's workbook. The cost per lane mile for infrastructure that was originally recorded when GASB 34 went into effect is determined. That cost per lane mile is applied to the value of the existing lanes. For example, on I-595 the cost per lane mile was multiplied by the lane miles in the I-595 project before construction and removed that amount from infrastructure. This applied only to I-595 since the PortMiami Tunnel was new construction. I-4 Ultimate with Express Lanes will use the same approach as the I-595 project.

27) Contacts

There are a variety of FDOT subject matter experts involved in the P3 project development lifecycle, as listed in the following table:

Contact	Title	Office	Responsibility	Phone Number (850)
Joe Santos	Operations Program Engineer	Engineering & Operations	Overall P3 review and senior management liaison	414-4364
OOC Contacts:				
Gibril Muddei	Project Finance Manager	OOC-PFO	Overall P3 review and unsolicited proposals	414-4421
Gastonia Anderson	Project Finance Specialist	OOC-PFO	Overall P3 review, P3 Financial Analysis/Feasibility, P3 Handbook	414-4623
Diane Flowers	Major Project Financial Plans Coordinator	OOC-PFO	Major project financial plans and P3 Summaries	414-4387
Stephen Rogers	SIB Program Manager	OOC-PFO	P3 15% Cap, P3 AP tracking and Force Flows	414-4768
Rony Sears	Toll Finance Analyst	OOC-PFO	Toll Finance Analyst	414-4582
Vacant	Finance Analyst	OOC-PFO	TFC/P3 Contact	414-4459
Robin Naitove	Comptroller	OOC	Financial language and senior management liaison.	414-4151
Jennifer Gunter	Contracts, Grants and Funds Management Manager	OOC-CGFM	Fund approvals and P3 contract closure	414-4279
Jason Adank	Deputy Comptroller	OOC-GAO	LOCs, Local Fund Agreements, and Financial Statements	414-4864
Tommy Lemacks	Financial Reporting Administrator	OOC-GAO	Financial Statement P3 entries	414-4865
Cheryl Ward	Revenue Management Administrator	OOC-GAO	Financial Statement Process	414-4866
Tim Olsson	Project Costing and Fed Projects Administrator	OOC-GAO	P3 payment review	414-4261
Elizabeth Metcalf	Project Cost Coordinator	OOC-GAO	P3 Payment review	414-4368
Dewayne Baxley	Contract Payment Manager	OOC-DOO	P3 payments/ disbursements	414-4678
Lisa Evans	Deputy Comptroller	OOC-FMO	CAS approvals	414-4172

Contact	Title	Office	Responsibility	Phone Number (850)
Cheri Jenkins	Cash Forecasting Analyst	OOC-FMO	CAS	414-4131
Gwen Jones-Battles	Cash Forecasting Analyst	OOC-FMO	CAS	414-4347
OGC Contacts:				
Arthur Berger	Counsel	OGC	P3 legal review	414-5368
OWPB Contacts:				
Christa Dismuke	Finance Plan Coordinator	OWBP-FPRA	STTF Financial Plan and STTF's 20% Debt Load	414-4652
Kendra Sheffield	Manager of WPD	OWPB-WPD	P3 programming review	414-4627
Cynthia Lorenzo	Federal Aid Manager	OWPB-FAM	Federal funding review	414-4448
Stephanie Certain	Statewide Programs Manager	OWPB-WPD	P3 programming review	414-4588
Chris Bratton	Statewide Programs Analyst	OWPB-WPD	P3 programming	414-4629

Exhibit 1: Deployment Process Map for P3 Finance Team

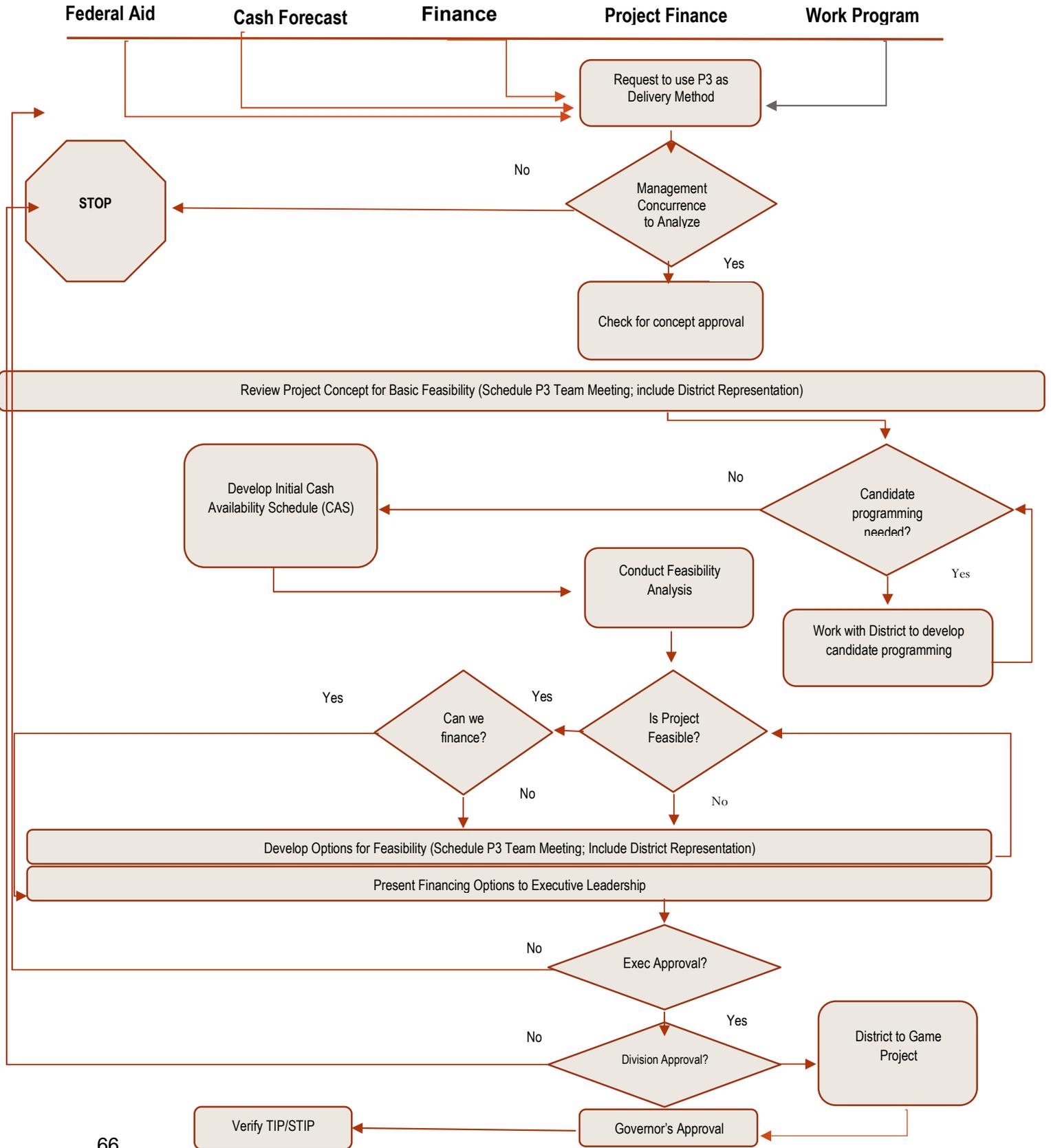
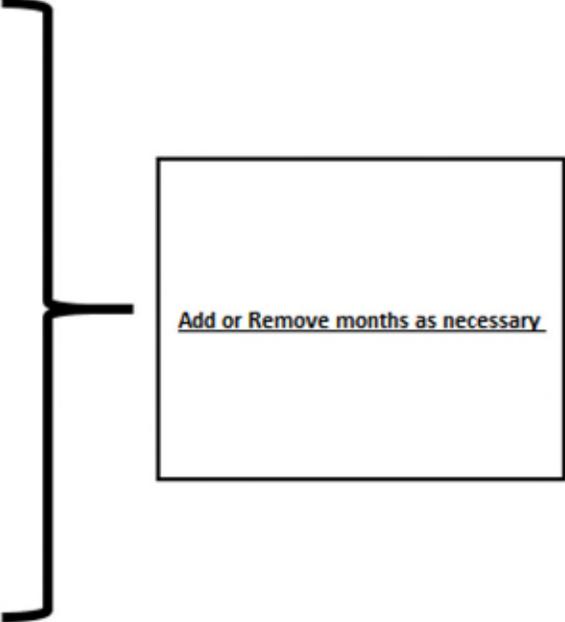


Exhibit 2: Sample DBF and BF Project Payout Information

Sample format for construction payout information DBF and BF feasibility analysis. Please request the excel file from OOC-PFO.

Monthly Construction Payout in Present Day Dollars	
Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	
Month 13	
Month 14	
Month 15	
Month 16	
Month 17	
Month 18	
Month...	
Total	0



Add or Remove months as necessary

Exhibit 3: Contract Numbers

District	Project Name	Contract No.
1	I-75 from Golden Gate Parkway to South of SR 80	E1F59
6	SR5/US 1 Widening and Improvements	E6E39
5	I-95 at Pineda Interchange	E5K75
6	95-Express Phases IA and IB	E6E76
6	Palmetto Section 2	E6E59
4	I-595 Improvements	E4J69
7	US 19	T7213
6	Port of Miami Tunnel	E6F67
6	Palmetto Section 5 - SR 826/836 Interchange	E6F61
7	I-4 Connector	T7209
6	Palmetto ML	E6i05
5	I-95 in Brevard	E5R39
1	I-75 DBF	E1K48
2	SR 9B	E2Q62
3	SR 79 in Holmes and Washington	E3K68
5	I-4 Ultimate	E5W13
6	I-395	E6J53