

Revised Attachment 8 – 5/3/10

REVISED DRAFT PRESIDIO PARKWAY EVALUATION CRITERIA
– As of May 3, 2010

Clarifications to the Draft Presidio Parkway P3 Project Evaluation Criteria

The Project Sponsors provide the following clarifications and intended adjustments related to the future Request for Proposals and Instructions to Proposers. Attachment 8 to the Project Proposal Report (Revised Draft Presidio Parkway P3 Project Evaluation Criteria) addresses the concerns expressed during initial review.

Clarifications

1. The bidders will be told to assume a single \$173.4 million milestone payment, at substantial completion of the project.
2. The Project Sponsors intend to use the discount rate utilized in the Business Case in the evaluation of proposals; however the Project Sponsors reserve the right to adjust the discount rate if there are material changes in conditions in the capital markets between now and the time set for the evaluation of proposals.
3. The Project Sponsors will specify the CPI rate to be assumed by all bidders in the calculation of the variable portion of the Availability Payments. Presently this rate is 2.2%, based on the source cited in the Business Case, but Project Sponsors reserve the right to adjust the specified rate if there are material changes in conditions between now and the time set for the evaluation of proposals.
4. In addition, the Project Sponsors will draft the instructions to bidders to assume that 85% of the Availability Payment is fixed and 15% is inflated using the CPI rate provided. The Project Sponsors reserve the right to modify this instruction based on feedback during market sounding meetings.

Adjustments

Modest adjustments have been made to retain the Project Sponsor's intention to encourage rigorous due diligence and focused attention on the financial proposal on the part of the bidders. The adjustments noted below are reflected in the attached Revised Attachment 8 (Revised Draft Evaluation Criteria).

1. The Project Sponsors will reduce from 20 to 10 the maximum score associated with the Feasibility of the Financial Proposal.
2. In addition, the item under Feasibility of the Financial Proposal, part D will be adjusted to read as follows (changes marked in ~~strikeout~~ and underline for ease of reference):

"Lender's support letters evidencing the proposer's willingness to provide funding for the project, including evidence of discussions held with credit committees and indications of the level of review and support for funding achieved."

3. Corresponding to the above reduction, Project Sponsors will increase from 50 to 60 the maximum score associated with the Maximum Availability Payment.

These adjustments will provide the Project Sponsors the ability to measure best value on a net present value (NPV) basis and achieve results in the best interest of the public. This NPV analysis is consistent with the approach taken in the Business Case in assessing value for money and consideration of whole-life costs. This approach is widely used in other jurisdictions, for example, in the financial evaluation and scoring on all Infrastructure Ontario availability projects as well as the majority of availability and transportation PFI projects in the UK and Ireland.

PASS/FAIL (ITP SECTION 5.3) AND EVALUATION CRITERIA (ITP APPENDIX F)

5.3 “Pass/Fail” Evaluation Factors

Each Proposal must achieve a rating of “pass” on each “pass/fail” evaluation factor listed in ITP Sections 5.3.1 through 5.3.3. Failure to achieve a “pass” rating on any “pass/fail” factor will result in Sponsors declaring the Proposal non-responsive and the Proposer being disqualified. Prior to making such determination, Sponsors may offer a Proposer the opportunity to clarify its Proposal (see ITP Sections 5.6 and 5.7).

5.3.1 Administrative Pass/Fail Requirements

The administrative pass/fail requirements are as follows:

- A) The administrative information provided by the Proposer in Volume 1 contains each of the submittals required by Appendix B to this ITP (a list of which is set forth in Appendix I, Proposal Checklist);
- B) Proposer has delivered a properly executed Proposal Letter (Appendix E, Form A);
- C) Proposer has delivered a properly completed and executed Non-Collusion Affidavit (Appendix E, Form B);
- D) The organizational documents demonstrate that the Proposer has or, in the case of a single purpose entity to be formally established upon announcement of the apparent Best Value Proposal, will have legal capacity to undertake the work required by the Agreement, including appropriate provisions for management and decision-making within the organization as well as for continuation of the Proposer in the event of bankruptcy or withdrawal of any of its members, and are otherwise consistent with Project requirements.
- E) If the Proposer anticipates execution of the Agreement by a single purpose entity, the Proposer has delivered pro formas of the single purpose entity corporate formation documents that will be used to establish the entity should Sponsors select its Proposal as the apparent Best Value Proposal;
- F) If the Proposer is a consortium, partnership or any other form of a joint venture, or an association that is not a legal entity, the Proposer has provided a letter signed by each Equity Member and any other member who will make up the Developer indicating they accept joint and several liability until the point at which a corporation, limited liability company or other form of legal entity is formed as the Developer to enter into the Agreement.
- G) Proposer has delivered executed teaming/consortium agreements between the Proposer team members, including the Lead Contractor, Lead designer, and Lead Operations and Maintenance Contractor;
- H) Proposer has delivered a complete, properly executed Proposal Bond that complies with the requirements of Appendix E, Form D-1 or has delivered a complete, properly executed Proposal Letter of Credit (or multiple letters of

credit as described in ITP Section 4.9.1) that complies with the requirements of Appendix E, Form D-2;

- I) The Equity Members, Major Non-Equity Members and key personnel listed in the Proposer's SOQ have not changed since the Proposer's submission of the SOQ, or the Proposer has previously advised Sponsors of a change, Sponsors has consented to such change, and the Proposal attaches a true and correct copy of Sponsors' written consent thereto;
- J) Proposer has delivered a letter(s) of support from a qualified surety or bank as described in Section 2.2.12 of Appendix B;
- K) Proposer has delivered a properly completed and executed Conflict of Interest Disclosure Statement (Appendix E, Form C);
- L) Proposer has delivered either certificates of insurance policies evidencing proof of insurance coverages required by the Agreement, or written evidence from an insurance company(ies), broker(s) or agent(s) indicating the signatories have read the Agreement and insurance requirements set for the therein and that the entities required to obtain insurance under the Agreement have the capability of obtaining such insurance in the coverages and under the conditions listed in the Agreement; and
- M) Proposer has delivered all other specified forms and documents, properly completed and signed (if required) (see Appendix E), and such forms and documents do not identify any material adverse information.

5.3.2 Technical Pass/Fail Requirements

The technical pass/fail requirements are that the Technical Proposal contains each of the submittals required by Appendix C to this ITP (a list of which is set forth in Appendix I, Proposal Checklist).

5.3.3 Financial Pass/Fail Requirements

The financial pass/fail requirements are as follows:

- A) The Financial Proposal contains each of the submittals required by Appendix D of this ITP (a list of which is set forth in Appendix I, Proposal Checklist);
- B) The Financial Proposal contains evidence of proposed parent company guarantees;
- C) The Financial Proposal provides copies of financial statements becoming available since SOQ submission;
- D) The Financial Proposal contains a certification or disclosures by the Equity Members and, if applicable, its parent companies in accordance with Appendix D, Section 4(b);
- E) The Proposer's financial condition and capabilities shall not have materially

adversely changed from its financial condition and capabilities as evidenced by the financial data submitted in the SOQ, such that the Proposer continues to have the financial capability to complete, operate, and maintain a project of the nature and scope of the Project. Factors that will be considered in evaluating the Proposer's financial capacity include the following:

- 1) the Proposer's current financial strength;
 - 2) the credit quality of the Proposer and Major Participants that are equity owners of the Proposers; and
 - 3) any current or pending claims, litigation or equivalent.
- F) If the Sponsors determine that a Proposer is undercapitalized, the Proposer may be given the opportunity to add a financial Guarantor to its proposal; such Guarantor must be deemed acceptable to the Department in its sole discretion.

Evaluation Criteria and Weighting

The maximum score for a Proposal will be 100 points, which will be allocated as described below.

1 Technical Proposal Criteria [Up to [30] Points]

The Technical Proposal shall consist of the information set forth in Appendix C. The Technical Proposal evaluation factors are set forth in Sections 1.1, 1.2 and 1.3 below.

1.1. Management / Administration Evaluation Criteria - *Maximum [5] Points*

Sponsors will use the following evaluation criteria to score the Management / Administration portion of the Technical Proposal:

- A) The degree to which the Preliminary Project Management Plan contains an efficient construction management concept that: (a) integrates the management of all Project construction sections, as determined by Proposer's Construction Phasing/Sequencing Plan; (b) allocates the resources needed to meet the Project requirements and implement the Proposer's Construction Phasing/Sequencing Plan; (c) demonstrates the existence of a comprehensive safety program that ensures the safety of the Developer's employees and the travelling public; and (d) demonstrates an understanding and plan for addressing the limitations contained in the right of entry agreement with the Presidio Trust;
- B) The degree to which the Preliminary Project Management Plan contains an efficient design management concept that: (a) integrates the design

of all Project sections, as determined by the Proposer's Construction Phasing/Sequencing Plan; (b) allocates the resources needed to meet the Project requirements and implement the Proposer's Construction Phasing/Sequencing Plan; (c) clearly identifies the approach to consultation, interface, approval and permitting issues associated with the developing design and construction planning; (d) addresses the aesthetic requirements and values of the project; (e) integrates the whole life cycle of the asset into the design development; and (f) demonstrates the inter-relationship between temporary works and permanent works design and construction;

- C) The degree to which the Preliminary Project Management Plan demonstrates an efficient and effective interface: (a) between the design, construction, and O&M personnel; (b) between the design / construction organizations and the QA/QC organization; (c) the construction personnel and the O&M organization in the commissioning of the Project; (d) the Proposer and Sponsors, other governmental entities, utility agency owners, stakeholders and the public during the Construction Period; (e) between the existing contractors employed by the Department and the Proposer at the commencement of the Project; and (f) between the Departments operations and maintenance teams and the Proposer at the commencement of the Project;
- D) The degree to which the Preliminary Project Management Plan demonstrates an efficient approach to management of traffic during the Construction Period and the O&M Period;
- E) The degree to which the Preliminary Quality Plan demonstrates: (a) that adequate QA/QC procedures and staffing will be in place during performance of the Design Work, Construction Work and O&M Work; and (b) that design and construction activities performed by different firms will be coordinated to ensure consistency of quality;
- F) The length in days that the Project Schedule sets forth for the time that will elapse between NTP 2 and the Final Acceptance Date;
- G) The degree to which the Project Schedule and Construction Phasing/Sequencing Plan: (a) demonstrates a comprehensive understanding of the activities necessary to achieve final completion of the Project; (b) incorporates and sets forth an aggressive but realistic time frame for the required completion of all Construction Work; (c) demonstrates, reasonably contemplates and accommodates contingencies likely to be encountered during construction; (d) identifies a coherent and realistic strategy, to progressively and continually alleviate traffic congestion along the Presidio Parkway throughout the Construction Period; (e) addresses the limitations contained in the right of entry agreement with the Presidio Trust; and (f) demonstrates a

coherent and realistic strategy for coordination with Phase I Construction; and

- H) The degree to which the Environmental Compliance Plan: (a) identifies adequate staffing to address environmental issues; (b) identifies and tracks environmental and permitting requirements and how the Proposer intends to verify these requirements have been met, including mitigation and design features, and the ability to work with Section 4f and Section 106 issues; (c) demonstrates a comprehensive understanding of environmental risks and sensitivity to environmental concerns; and (d) sets forth an effective and efficient process for identification and mitigation of environmental risks and (e) sets out the commitment to staff awareness and training.

1.2 Preliminary Master Design Submittal Evaluation Criteria - *Maximum [10] Points*

Sponsors will use the following evaluation criteria to score the Preliminary Master Design Submittal portion of the Technical Proposal:

- A) The degree to which the Proposer's Preliminary Master Design Submittal utilizes innovative approaches to design, construction, operations and maintenance that will minimize the overall cost of the Project during the Term;
- B) The degree to which the Proposer's Preliminary Master Design Submittal: (a) improves upon the Indicative Preliminary Design for the Project's general purpose mainline lanes, auxiliary lanes, signing, pavement marking, lighting, grading and landscaping, structures, and ramp lanes; (b) accommodates movements, minimizes clear zone obstructions and conflict points, including weaving sections; (c) incorporates profiles that promote driver comfort; (d) contains a geometric layout of at-grade intersections that maximizes operational capacity; and (e) incorporates a consistent application of aesthetic features;
- C) The degree to which the strategies presented in the Proposer's Transportation Management Plan: (a) minimize Project-related traffic impacts and delays associated with the Construction Work; and (b) efficiently coordinate construction sequencing;
- D) The degree to which the Proposer's Preliminary Master Design Submittal improves upon the Indicative Preliminary Design for: (a) the available and/or required types, locations, and sizes of stormwater management facilities that will be required for the Project; and (b) the required collection system and conveyance systems necessary for the Project;

- E) The degree to which the Proposer's Preliminary Master Design Submittal addresses the environmental and landscape requirements and aspirations of the Department and other Project stakeholders including the users of the Presidio;
- F) The degree to which the Proposer's conceptual utilities relocation plan efficiently ties to the phasing of the Construction Work; and
- G) The degree to which the tunnel systems plans included in the Proposer's Preliminary Master Design Submittal present coherent and realistic strategies for (a) fire and life safety; (b) tunnel ventilation; (c) fire suppression; and (d) tunnel lighting

1.3 Operation and Maintenance Evaluation Criteria - *Maximum [15] Points*

Sponsors will use the following evaluation criteria to score the Operation and Maintenance portion of the Technical Proposal:

- A) The degree to which the Proposer's Preliminary O&M Plan contains an efficient approach to the operations and maintenance requirements during the Construction Period and the O&M Period;
- B) The degree to which the Proposer's Preliminary O&M Plan demonstrates an efficient: (a) self-monitoring processes for purpose of calculating adjustments to the Monthly Disbursement; (b) method of tracking and reporting Construction and O&M Noncompliance Points accumulation; (c) approach to the development, updating and implementation of the O&M implementation plan; (d) approach to Routine Maintenance; (e) approach to handling the response to accidents and roadway incidents; (f) approach and assumptions for Renewal Work and capital equipment replacement; (g) approach to safety; (h) approach to fulfill the Handback Requirements; and (i) approach to coordinating and working with other government agencies whose operations are associated with the Project; and
- C) The degree to which the Proposer's System Integration Plan demonstrates an efficient integration of the Project systems where the unified interface will support the operation of the Project and the self-monitoring/payment mechanism process.

2 Financial Proposal Criteria [Up to [70] Points]

2.1 Maximum Availability Payment - *Maximum [60] Points*

- A) The NPV of Maximum Availability Payments and the MAP to be made by the Sponsors will be evaluated for each Proposal.

- B) The NPV of these payments will be assessed from the information set out by the Proposer in the forms in Appendix D-2 and the Substantial Completion Date from the Proposer's Project Schedule. The date to which cash flows are discounted back is the anticipated date of Financial Close.
- C) The results of the Maximum Availability Payments evaluation, rather than being presented in NPV terms, are converted into a score. A Proposer's MAP will be scored out of 60 points, with higher points assigned to Proposals with lower NPVs of cost to the Sponsors. Scores are allocated in accordance with the following method:

The Sponsors will review and perform their own analysis of the financial model and NPV calculation provided by the Proposers. The lowest NPV will be awarded the maximum points available for NPV (60 points). In calculating the scores for the other Proposers the Sponsors will deduct 1.5 points from the maximum points available for NPV for every percentage point by which each other Proposer's NPV exceeds the lowest NPV.

2.2 Feasibility of Financial Proposal - *Maximum [10] Points*

Proposals that provide evidence of a stronger level equity commitment and support from providers of finance will receive a higher score in this element of the evaluation. Factors that will be considered in evaluating the strength of support from lenders and evidence of equity commitment in the Proposer's Financial Proposal include the following:

- A) Evidence of advanced development in financial structuring of the Project (e.g. provisional financing term sheets and indicative credit ratings);
- B) Evidence of lenders' due diligence process and the extent of completion of the due diligence (legal and tax review, technical review, financial model audit, etc.);
- C) Elements of the approach that appear to reduce the risk of delay or failure to achieve Financial Close for the Project;
- D) Lenders' support letters evidencing the proposed lenders' willingness to provide funding for the project, including evidence of discussions held with credit committees and indication of the level of review and support for funding achieved;

- E) Depth and quality of the commitments for equity and assurance that private equity will be in place, including letters from the Proposer's equity owners evidencing their commitment to provide equity funding and copies of board meeting minutes evidencing approval of the equity subscription; and
- F) Commitment on behalf of the Equity Members to maintain a transparent funding process, including express acceptance of the Sponsors' right to require or initiate a funding competition at apparent Best Value Proposer stage with Sponsor oversight as set out in the ITP.

DRAFT HANDBACK REQUIREMENTS

1. Handback Evaluation Plan

The Developer shall prepare a Handback Evaluation Plan that will be used to determine the condition, performance and residual life of the Project assets at the Termination Date. The Developer will submit the plan to the Department for review and approval. The Handback Evaluation Plan must be approved by the Department a minimum of 4 years (48 months) prior to the expected end of the Term.

The Handback Evaluation Plan shall detail the methods that are to be used during the condition assessment and the calculation of residual life of all Project assets. The Handback Evaluation Plan shall include the scope, schedule, detailed tests and inspection procedures, processes and evaluations required to verify and demonstrate to the Department that all equipment and systems function as intended and meet the applicable codes and standards set forth in the Technical Requirements and meets the life remaining requirements as specified in **Table 5.1**.

The Handback Evaluation Plan shall be reviewed and approved by the Department prior to commencement of any handback-related work by the Developer. The Department shall provide a minimum of thirty (30) days advance notice to the Developer prior to the commencement of any handback related tests or inspections conducted by the Department or its designee to confirm any aspect of the Handback Evaluation Plan.

The Handback Evaluation Plan shall include provisions for Annual Handback Evaluation Reports of the Project assets for the remainder of the Term. After the preparation of the first Annual Handback Evaluation Report and prior to the commencement of each year remaining in the Term, the Developer upon consultation with the Department shall update the Handback Evaluation Plan as needed to reflect changes in conditions of the Project assets or evaluation methodology determined following an inspection of the Project assets by the Department or its designee. Each subsequent Handback Evaluation Plan prepared after the first plan shall be subject to the approval of the Department.

2. Testing & Inspection Criteria

The test and inspection procedures detailed in the Handback Evaluation Plan shall indicate any particular reference standards, or other information used to support the testing, inspection, and asset evaluation process, including updates to standards that occur during the Term.

The Developer shall prepare residual life calculation methods for each asset and shall utilize applicable current industry standards, manufacturer's life expectancy, equipment mean time between failures, and equipment/asset histories in addition to criteria listed in the Handback Evaluation Criteria column of the **Table 5.1** to determine the condition, performance and the residual life for each asset.

The Developer shall use **Table 5.1** as a guideline for the inspections and testing required, however the actual identification of the assets to be evaluated is dependent upon the Developer's final design configuration and assets in place at the time of the evaluation. The Developer shall develop a more detailed table based upon the Developer's design configuration and assets in place at the time of the Handback Evaluation Plan's preparation.

3. Handback Renewal Work Plan

Four years (48 months) prior to the expected end of the Term, the Developer shall prepare a Handback Renewal Work Plan that identifies the Developer's plan for repairing, replacing, renovating, and inspecting the assets such that the assets comply with the specified life remaining at the end of the Term.

The Handback Renewal Work Plan shall be updated annually and include the results from the last Annual Handback Evaluation Report and the estimated cost and schedule of the remaining Handback Renewal Work. The Developer's Handback Renewal Work Plan shall be financed in accordance with the requirements of Section 5 of the Concession Agreement.

The Developer shall coordinate all aspects of the Handback Renewal Work Plan with the Department. Following each of the inspections of the Project assets by the Department as described in the Handback Renewal Work Plan, and in any case on a yearly basis following the evaluation to be done by the Developer accordingly to the Handback Evaluation Plan, the Developer shall update the Handback Renewal Work Plan and submit it to the Department for approval until the plan is completed at the agreed upon Termination Date. This plan shall also include any areas that are under remedial work due to a contamination or fuel spill. The Developer will retain all remediation responsibility (and liability) until such time that the Developer has received, and submitted to the Department, acceptable documentation indicating that the Developer has complied with all directives and fulfilled and completed their remediation obligations as directed by the governing municipal entity, whether it be a Federal, State, County or Local government. **[NTD Legal to confirm the appropriate bodies]**

4. Handback Requirements

Table 5.1 details the assets, structures, systems and equipment which shall be evaluated at a minimum.

Performance and Measurement Table Baseline

Table 5.1 – Handback Requirements

TABLE 5.1 – HANDBACK REQUIREMENTS				
Asset Description	Asset Sub System Description	Handback Evaluation Tasks	Handback Evaluation Criteria	Life Remaining at Handback (Years)
Rigid Pavement	Pavement section within the O&M Limits (Operating Period)	Rigid Pavement Condition Survey will be conducted within 180 calendar days before the end of the Term.	Perform rehabilitation of the pavement in accordance with Caltrans Highway Design Manual or successor.	10 Years
Guardrail	Guardrail systems within the O&M Limits (Operating Period)	Final inspection will be conducted within 45 calendar days before the end of the Term.	Curing of all deficiencies identified in the final inspection in accordance with Caltrans Procedures current at the time of inspection.	8 Years
Attenuators	Attenuator systems within the O&M Limits (Operating Period)	Final inspection will be conducted within 45 calendar days before the end of the Term.	Curing of all deficiencies identified in the final inspection in accordance with Caltrans Procedures current at the time of inspection.	8 Years

TABLE 5.1 – HANDBACK REQUIREMENTS				
Asset Description	Asset Sub System Description	Handback Evaluation Tasks	Handback Evaluation Criteria	Life Remaining at Handback (Years)
Signs	Single-post, multi-post & overhead within the O&M Limits (Operating Period)	<p>Final inspection will be conducted within 120 calendar days before the end of the Term.</p> <p>Final inspection and reflectivity tests will be conducted within 90 calendar days before the end of the Term.</p>	<p>Curing of all deficiencies identified in the final inspection in accordance with Caltrans Procedures current at the time of inspection.</p> <p>Replace sign panels not meeting Caltrans standard current at the time of inspection.</p>	7 Years
Drainage Systems	Drainage systems elements (side/cross drains, roadside ditches, inlets, and miscellaneous drainage structures)	Conduct a final video inspection of all drainage pipes and other drainage systems elements (side/cross drains, roadside ditches, inlets, and miscellaneous drainage structures) within 90 calendar days before the end of the Term.	Curing of all deficiencies identified in the final inspection using the criteria set forth in Caltrans Highway Design Manual or successor.	20 Years

TABLE 5.1 – HANDBACK REQUIREMENTS				
Asset Description	Asset Sub System Description	Handback Evaluation Tasks	Handback Evaluation Criteria	Life Remaining at Handback (Years)
Highway Lighting	Includes Roadway, under-deck, signing and high mast within the O&M Limits (Operating Period)	Final inspection will be conducted within 45 calendar days before the end of the Term.	Replace all luminaries and ballasts within 90 days before the end of the Term. 100% of lights must be operational.	5 Years
High Mast Light Poles	Structural within the O&M Limits (Operating Period)	Final inspection, including x-rays of the lighting bases, will be conducted within 180 calendar days before the end of the Term.	Perform required rehabilitation of any High Mast Light Poles to obtain an overall condition in accordance with the criteria set forth in Caltrans Procedures current at the time of inspection.	15 Years
Over-Lane Sign Structures	Structural within the O&M Limits (Operating Period)	Final inspection of over-lane sign Structures will be conducted within 180 calendar days before the end of the term	Perform required rehabilitation of any over-lane sign structures to obtain an acceptable condition according to Caltrans Procedures current at the time of inspection.	15 Years
Bridges	Within the O&M Limits (Operating Period)	Final inspection of all structures will be conducted within 180 calendar days before the end of the Term.	Perform required rehabilitation of any Structures to obtain an overall condition rating of eighty (80) or better on the FHWA Standard Structure Sufficiency Rating scale.	45 Years

TABLE 5.1 – HANDBACK REQUIREMENTS				
Asset Description	Asset Sub System Description	Handback Evaluation Tasks	Handback Evaluation Criteria	Life Remaining at Handback (Years)
Tunnels	Within the O&M Limits (Operating Period)	<p>Final tunnel inspection will be conducted within 180 calendar days before the end of the Term.</p> <p>The following tunnel components must be replaced within one year (12 months) before the end of the Term.</p> <ul style="list-style-type: none"> -Tunnel liner -Tunnel ventilation system (jet fans system) -Tunnel lighting system -Tunnel Fire Life system 	Overall tunnel condition will be guided by table 4.2 and 4.3 of Division II Section 4 and Caltrans Highway Design Manual or successor.	20 Years
Retaining Walls	Within the O&M Limits (Operating Period)	Final inspection of all structures will be conducted within 180 calendar days before the end of the Term.	Perform required rehabilitation of any wall according to Caltrans Highway Design Manual or successor	20 Years

TABLE 5.1 – HANDBACK REQUIREMENTS				
Asset Description	Asset Sub System Description	Handback Evaluation Tasks	Handback Evaluation Criteria	Life Remaining at Handback (Years)
ITS	Includes all ITS subsystems, communication and ancillary components of O&M	The Developer shall purchase new hardware in the final year of the program and configure, test, deploy and deliver the fully operational system within 180 days before the end of the Term. The Department will retain manufacturer warranties (minimum of 4-year warranty) on the hardware.	100% of all ITS devices are operational	N/A
	Software programs	Developer shall deliver the software programs update to the most recent version available from the vendor.	Software is licensed and available for Department use for duration of the new ITS equipments' expected life.	N/A
All Project Aspects Not Specifically Addressed	N/A	Meet or exceed the minimum performance requirements specified in tables 4.1, 4.2, and 4.3.	Curing of all deficiencies identified in the final annual O&M inspection as outlined in the O&M Plan (to be done within 180 days before the end of the Term) in accordance with Caltrans current standards and procedures.	5 Years or more

GGBHTD/MTC/SFCTA MOU

**Memorandum of Understanding
Amongst the Golden Gate Bridge, Highway and Transportation District,
the Metropolitan Transportation Commission and the
San Francisco County Transportation Authority
Pertaining to the Funding of the Doyle Drive Reconstruction Project**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into as of this 26th day of November, 2008, by and among the Golden Gate Bridge, Highway and Transportation District ("Bridge District"), established pursuant to Streets and Highways Code Section 27000 *et seq.*, the Metropolitan Transportation Commission ("MTC"), established pursuant to Government Code Section 66500 *et seq.*, and the San Francisco County Transportation Authority ("SFCTA"), established pursuant to a ballot measure approved by the voters in the City and County of San Francisco, and collectively referred to herein as "the parties".

RECITALS

WHEREAS, the parties to this MOU are public agencies created by the laws of the State of California, and each party is empowered and has been duly authorized to enter into this MOU;

WHEREAS, Doyle Drive is a state highway owned and operated by the State of California Department of Transportation ("Caltrans");

WHEREAS, Doyle Drive is a 70 year old structure in need of seismic reconstruction at the earliest practicable date;

WHEREAS, although Doyle Drive is owned and operated by Caltrans, the SFCTA has assumed the role of lead agency for the Doyle Drive Reconstruction Project, and is responsible for securing, among other responsibilities, all necessary funding, permits, property rights, regulatory approvals, and environmental approvals, to rebuild this 70 year old seismically deficient structure;

WHEREAS, the State of California has committed to fund the Doyle Drive Reconstruction Project, (as more fully described in the Environmental Impact Statement/Report and Section (4) Evaluation for the South Access to the Golden Gate Bridge in the City and County of San Francisco on Route 101, Doyle Drive and Richardson Avenue from Lombard Avenue to the Golden Gate Bridge Toll Plaza, and on Route 1, from the Ruckman Undercrossing to the Route

101 Junction, prepared by SFCTA, the Federal Highway Administration, and Caltrans) in the amount of \$405 million from the State Highway Operations and Protection Program;

WHEREAS, a substantial shortfall in funding remains for the Doyle Drive Reconstruction Project;

WHEREAS, in recognition of the vital importance of a seismically upgraded Doyle Drive to users of the Golden Gate Bridge, as well as to the economy and vitality of the overall Bay Area region, the Bridge District and MTC have agreed to make a capped financial contribution toward the cost of reconstruction of Doyle Drive in accordance with the terms and conditions set forth below; and

WHEREAS, the parties desire to memorialize their understandings with respect to the funding of the Doyle Drive Reconstruction Project so as to enable the project to proceed.

NOW, THEREFORE, the parties to this MOU agree as follows:

1. Financial Contribution. In recognition of the vital importance of a seismically upgraded Doyle Drive to users of the Golden Gate Bridge, as well as to the overall Bay Area region, MTC and the Bridge District will each contribute the following amounts for construction work to the agency administering the Doyle Drive Reconstruction Project:

MTC:	\$80 million
Bridge District:	\$75 million

The Bridge District’s contribution of \$75 million will be increased to the total amount of \$80 million by means of contributions to other Bridge District projects from the Transportation Authority of Marin and the Sonoma County Transportation Authority, representing Marin and Sonoma County residents, which are the subject of separate agreements. This indirect contribution of \$5 million by Marin and Sonoma Counties constitutes their maximum total contribution to the Doyle Drive project. If the Marin County or Sonoma County contributions are not authorized by their respective policy boards, the total contribution by the Bridge District will be reduced by the

amount not forthcoming from one or both of these two counties but at no time will the contribution amount decrease below \$75 million.

Said amounts represent the maximum total contribution to be made by Bridge District and MTC for the Doyle Drive Reconstruction Project, irrespective of any future modifications of the current cost estimate, the receipt of construction bids in excess of that estimate, or change orders. By making these limited financial contributions, neither the Bridge District nor MTC is agreeing to assume ownership or control over Doyle Drive or any aspect of the design, construction, maintenance or liability risks and responsibilities associated therewith. As between SFCTA, MTC and the Bridge District, SFCTA shall be solely responsible for financing all other costs of the Doyle Drive Reconstruction Project and for the assumption of all liability risks associated with or arising out of the Project.

2. Prohibition on Tolling Other than funding of the Bridge District's one-time contribution amount specified in Section 1, there will be no tolling of any kind on the Golden Gate Bridge or on Doyle Drive to fund the Doyle Drive Reconstruction Project, except as provided in Section 3 below.

3. Regional Cordon Tolling Program. A regional cordon tolling program for the purposes of congestion management that tolls the Doyle Drive entrance to San Francisco in a similar manner and time frame as all other entrances to San Francisco are tolled may be permitted. Funds collected pursuant to a regional cordon tolling program may be expended on the Doyle Drive Reconstruction Project.

4. Manner of Payment. The financial contribution specified in Section 1 shall be paid by the Bridge District and MTC to SFCTA no later than the final year of construction of the Doyle Drive Reconstruction project. The staffs of the Bridge District and MTC shall establish the administrative procedures for the invoicing and distribution of the funds consistent with the project's construction schedule.

5. Reimbursement of Financial Contribution. If, notwithstanding the prohibition that no toll of any kind is to be exacted from users of the Golden Gate Bridge or Doyle Drive expressly for the reconstruction of Doyle Drive except as permitted under Section 3, an act of the State Legislature authorizes and leads to the imposition of such a toll for such a purpose, all amounts contributed by the Bridge District and MTC shall be reimbursed to the respective agencies, plus interest for their respective contributions, and the Bridge District and MTC shall not be required to

a. This MOU may be amended or modified only in writing approved by a vote of the governing boards of each of the parties.

b. All recitals are incorporated herein by reference and shall be deemed part of this MOU for all purposes.

c. This MOU shall be construed reasonably, in accordance with its terms. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this MOU.

d. No party may assign or delegate any of its rights or obligations under this MOU without the prior written consent of all other parties to this MOU. This MOU shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

e. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.

f. The waiver of any breach of this MOU shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or another provision of this MOU. Any waiver must be in writing, signed by an authorized representative of the waiving party.

g. Nothing in this MOU, whether expressed or implied is intended to confer any rights or remedies on any persons other than the parties to it, nor is anything in this MOU intended to relieve or discharge the obligation or liability of any third persons to any party to this MOU.

h. If any legal proceeding shall be instituted by any of the parties hereto to enforce the terms of this MOU or to determine their respective rights or obligations under this MOU, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonably attorney's fees.

i. This MOU constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents or understandings of the parties.

9. Maintenance, Audit and Inspection of Records. SFCTA shall permit authorized representatives of MTC and the Bridge District to inspect, audit and make copies of any and all data or records of SFCTA relating to the Doyle Drive Reconstruction Project. SFCTA shall maintain all such records for a period of four (4) years from the date of completion of the Doyle Drive Reconstruction Project as evidenced by the filing of a Notice of Completion.

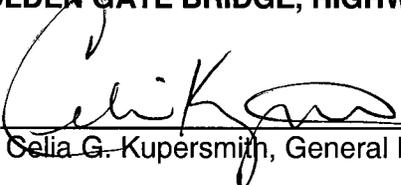
10. Cost Reports. SFCTA will provide MTC and the Bridge District with regular cost reports showing expenditures for the Doyle Drive Reconstruction Project. Additionally, SFCTA agrees to maintain close coordination and interaction with the Bridge District and MTC to minimize interference with the Bridge District operations or administration of its responsibilities to maintain the Golden Gate Bridge.

11. Dispute Resolution. If a question arises regarding interpretation of this MOU or its performance or the alleged failure of a party to perform, the party raising the question or making the allegation shall give written notice thereof to the other parties. The parties shall promptly meet in an effort to resolve the issues raised. If the parties fail to resolve the issues raised, alternative forms of dispute resolution, including but not limited to mediation may be pursued by mutual agreement at equally shared costs. It is the intent of the parties, to the extent possible, that litigation be avoided as a means of dispute resolution.

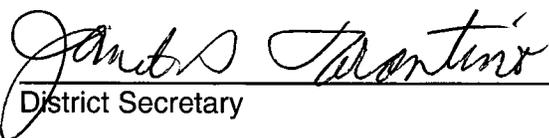
12. Jurisdiction. This MOU and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this MOU by their respective duly authorized officers as of the day and year first above written.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

By: 
Celia G. Kupersmith, General Manager

Attest:


District Secretary

Approved as to form:

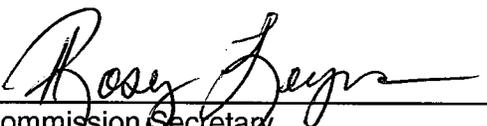


Attorney for the District

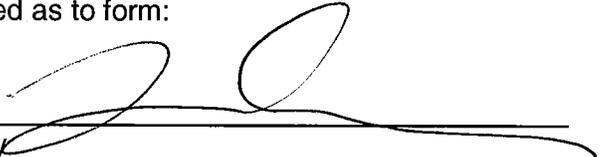
METROPOLITAN TRANSPORTATION COMMISSION

By: 

Steve Herninger, Executive Director

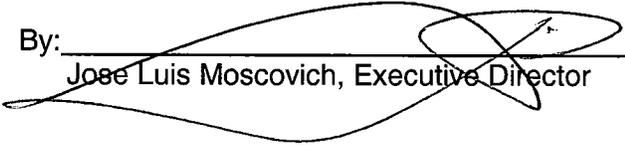
Attest:


Commission Secretary

Approved as to form:


Attorney

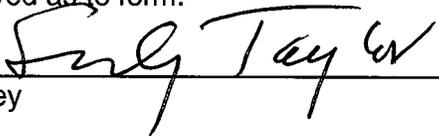
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

By: 

Jose Luis Moscovich, Executive Director

Attest:


Secretary

Approved as to form:


Attorney