

I-4 Ultimate Project
RFQ Question and Answer Matrix #1 (Issued on March 8, 2013)

(Questions Submitted Between March 5, 2013 and March 7, 2013)

No.	Issue	Section	Question/Comment	FDOT Response
Request for Qualifications				
1.	Procurement schedule; Request for Clarifications from proposers	4.2	Please consider responding to the RFCs submitted by proposers on an ongoing and continuous basis as you receive them (i.e. do not hold off the release of responses after the last date for Proposer clarification request stated in the RFQ, it is, March 19, 2013).	It is FDOT's intention to respond to questions on a timely, ongoing basis, the frequency of which will depend on the number of requests received at any given time.
2.	General and Legal	5.2.1.1	Please allow for a section describing the composition of the Proposer and presenting briefly each of the companies comprising the Proposer.	Please see revised language in final RFQ, sections 5.2.1.2(i), 5.2.1.3(k) and 5.2.1.3(l), regarding requirements to submit copies of Proposer's organizational chart.
3.	General and Legal	5.2.1.1(d) Form F	It is our understanding that the Equity Members are required to submit Form F, please confirm. In addition, please clarify whether this requirement also applies to Major Non-Equity Members.	Please see revised language in final RFQ.
4.	General and Legal	5.2.1.1(e) and (f)	Definition of "other organization that is under common ownership with the Proposer": can we understand that the organizations under common ownership are the sister companies of the Proposer (excluding therefore subsidiaries of such sister companies)? We believe this is a reasonable interpretation considering the difficulties that a broader interpretation may have for a Proposer pertaining to a large international group of companies.	The stated interpretation is correct.
5.	General and Legal	5.2.1.1(g)	Please confirm that 5.2.1.1(g) is for the information of the Proposer only and does not require a response in the SOQ.	Confirmed.
6.	Financial Statements	5.2.1.2(d)	Section 5.2.1.2.d.i requires that Equity Members and Major Non-Equity Members provide the 3 most recent fiscal years financial statements audited: - If FY2012 Financial Statements are not available by the SOQ due date, shall proposers submit the FS of 2009, 2010 and 2011?	Proposers must submit audited financial statements for the three most recent fiscal years. To the extent a subsequent fiscal year has been completed but audited financials are not yet available, please also submit the unaudited financial statements for such year. Please see revised language in final RFQ.
7.	Financial Statements	5.2.1.2(d)	Please clarify that a firm that does not have Financial Statements for FY2012 available by the date of SOQ (but does have former financial statements audited) is not required to submit a guarantee covering	No guarantee is required. Please also see response to Question 6 above.

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			performance and financial obligations per section 5.2.1.2.d.vi of the draft RFQ.	
8.	Financial Statements	5.2.1.2(d)	To the extent our consortium decides to submit its members' financial statements electronically only, please confirm whether 2 copies are requested (as required under Section 5.1) or 21 copies must be submitted.	Please see revised language in final RFQ, section 5.1, which has been revised to require two electronic copies, plus one original and nine copies (for a total of 10 hard copies) of all financial submittals.
9.	Guarantors	5.2.1.2(d) vi	<p>If a Letter of Parent Company Support is provided and the parent company needs to fill in Form B as a Guarantor (in order for the Proposer to be assessed not only on the basis of its own audited financial statements but also considering the financial standing of its parent company) what is the difference between a parent providing a guarantee and a letter of support?</p> <p>What kind of guarantee will be required from a guarantor? a parent company guarantee? Can we understand that such guarantee may cover only the equity commitment of the proposer?</p>	<p>A parent company is required to provide a Letter of Parent Company Support under Section 5.2.1.2(f), but a parent company is not required to submit its financials nor will its subsidiary's financial qualifications be assessed based on the parent company's financials unless the parent company is proposed by Proposer as a guarantor or required by FDOT to provide a guarantee under Section 5.2.1.2(d)(vi). Please see revised language in final RFQ, Sections 5.2.1.2(d)(vi), 5.2.1.2(f) and 6.3.1(c).</p> <p>The required form of guarantee will be provided in the RFP. The scope of the guarantee will be limited to the equity commitment of the proposer.</p>
10.	Financial Statements	5.2.1.2(d) vi	<p>RFQ states "...that if any Equity Member or Major Non-Equity Member of the selected Proposer's team does not have audited financial statements or if it fails to meet the minimum requirements established in this RFQ and/or in the RFP, FDOT may require the affected member to provide a guarantee covering performance and financial obligations..."</p> <p>Please clarify where in the RFQ are located the minimum financial requirements mentioned in this section.</p>	Minimum financial requirements are set forth in Section 5.2.1.2.
11.	Letter of Parent Company Support	5.2.1.2(f)	Please clarify the value that a Letter of Parent Company Support will add to a Proposer SOQ, how is this going to be valued in the evaluation process?	<p>The Letter of Parent Company Support provides comfort to FDOT that the parent company stands behind the subsidiary on this project. However, unless the parent company is also a guarantor, its financials will not be included in the evaluation process.</p> <p>Please see response to Question 9 above.</p>

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			<p>According to Section 5.2.1.2(f) of the RFQ if a letter and supporting Form B are not provided by the parent company, the member will be assessed solely on the basis of its own financial standing. We understand that if a letter [of Parent Company Support] is provided together with Form B, the member will be assessed not only on the basis of its own financial standing but also considering the financial standing of its parent company, is this interpretation correct?</p> <p>If a Letter of Parent Company Support is provided, on what condition will the Parent Company fill Form B? as an Equity Member or as a Guarantor? Or is a category missing, that is, the Parent Company category?</p>	<p>Please see response to Question 9 above.</p>
12.	Letters of Bank Support	5.2.1.2(g)	<p>Proposers are required to provide a minimum of 3 and a maximum of 5 letters of support from banks or underwriters. Such letter must indicate prior experience of lenders working with proposers in connection with P3 projects in the last 7 years and in deals that involved a private finance value in excess of \$500Mn. The bank/underwriter must have 2 long term unsecured debt ratings of not less than A (S&P and Fitch) or A2 (Moody's).</p> <p>There is a limited number of banks/underwriters that can meet the requirements due to the level of rating and number of ratings required (x2). Moreover, financial environment is still volatile and such may impact current ratings of lending community, which could reduce further an already narrow spectrum of banks/underwriters that would meet the requirements set forth in the RFQ.</p> <p>It would be beneficial to the process that the spectrum of banks/underwriters that can provide letters of support is broadened , while still ensuring an investment grade quality of banks and underwriters creditworthiness.</p> <p>Please consider:</p> <ul style="list-style-type: none"> - that the number of ratings required to banks and underwriters providing support letters be 1 (one) instead of 2 (two) - That the rating required is investment grade: <ul style="list-style-type: none"> o BBB+ (S&P and FITCH) 	<p>FDOT will not make the requested changes.</p>

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			<ul style="list-style-type: none"> o Baa1 (Moody's) 	
13.	Letters of Bank Support	5.2.1.2(g)	<p>“In instances where the response to this RFQ contains descriptions of proposed or anticipated material changes in the financial condition of the Proposer or any other entity for which financial information is submitted as required hereby for the next reporting period, the underwriter(s) or bank(s)/financial institution(s) must provide a certificate stating its analysis specifically incorporates a review of the factors surrounding such changes and identifying any special conditions which may be imposed before the raising of finance for the Project.”</p> <p>Please confirm that our understanding is correct: The letters of support from the banks/underwriters do not have to include a certificate stating its analysis specifically incorporates a review of the factors surrounding material changes and identifying any special conditions which may be imposed before raising of finance for the project, for material changes that occurred in former reporting periods.</p> <p>Please clarify who are the other entities for which financial information is submitted, whose material changes for the next reporting period have to be certified by banks/underwriters in their support letters.</p>	<p>We confirm that review of material changes occurring in former reporting periods need not be covered by the certificate, provided that such material changes in financial condition are adequately reflected in the financial statements provided.</p> <p>Please see revised language in final RFQ.</p>
14.	Letters of Bank Support Pass/Fail review	5.2.1.2(g) 6.2(e).i.1	Please clarify if TIFIA considered a private or public source of debt for the purposes of the RFQ requirements.	Please see revised language in final RFQ. References to “private” finance or debt have been replaced with “non-recourse” finance or debt. “Non-recourse” finance or debt also includes TIFIA and PABs.
15.	What constitutes "private finance"?	5.2.1.2(g)	As explained at our meeting, the reference in this section to “raised a private finance value in excess of \$500 million at the time of closing” requires clarification.	Please see response to Question 15 above.
16.	Surety Letter	5.2.1.2(h)	In section 5.2.1.2 (h) please confirm that the total surety requirement is \$750 million as an aggregate of Performance and Payment bonds.	The aggregate penal sum of the combination of the performance and payment bonds is \$750 million.
17.	Material Changes in Financial Condition	5.2.1.2(j) [Incorrectly numbered 5.2.1.2(h) in RFC	Please clarify that proposers do not have to report material changes that do not affect the financial condition of an Equity Member or a Major Non-Equity Member.	Please refer to the list of representative changes provided in the RFQ as examples of what FDOT considers a material change in financial condition. FDOT expects proposers to comply with the spirit of full

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		submitted]		disclosure with respect to material changes.
18.	Material Changes in Financial Condition	5.2.1.2(j)	<p>As explained by FDOT in our meeting on 5 March 2013, we understand FDOT's intent in seeking details of "pending", "proposed" and "anticipated" Material Changes in Financial Condition is aimed at securing from Equity Members and Major Non-Equity Members an up-to-date understanding of the financial condition of each party. To this end, we further understood from FDOT that FDOT is seeking confirmation of whether there has been any Material Change in Financial Condition since the date of the last financial statements provided with the SOQ submission. For these purposes, FDOT is looking to establish both those events that have happened and those that the relevant entity is aware of and which will happen prior to the next reporting date subject only to the passing of time. Consequently, as explained by FDOT in our meeting, FDOT is not looking for any Proposer's key team members to predict the future, but only to state what is known at the time of the SOQ submission. FDOT's clarification in the meeting was helpful: for listed companies in particular (both in the US and other jurisdictions), speculating as to future financial outcomes and/or providing information to a third party in advance of disclosure to the wider market in accordance with relevant stock exchange listing rules and guidelines gives rise to numerous regulatory challenges as well as investor management issues, which could result in additional work outside of the RFQ far exceeding the work associated with compiling the SOQ submission. This is in circumstances where the involvement of public companies should provide FDOT with greater comfort as to the risks of material changes in financial condition. Today's reporting requirements in EU and North American jurisdictions ensure that there is greater transparency and accountability as to the financial standing of public companies. For example, in many jurisdictions, any price sensitive information must be disclosed to the market in a timely fashion in order to comply with relevant disclosure rules. This means in general terms that material changes in such a company's financial position will give rise to prompt public disclosure.</p>	Please see response to Question 17 above.
19.	Form E	5.2.1.3(h)	Please confirm that for key personnel other than Project Manager, Superintendent, Design Manager and Operations Manager, FORM H is not required.	Confirmed.
20.	Reference check template	5.2.1.3(i) & Form H	Regarding the bottom portion of Form H to be filled out by the reference, please clarify whether the Proposer is responsible for obtaining the reference response and including in their submittal or if FDOT will contact references post submittal to complete this portion.	FDOT will contact references post-submittal to complete the bottom portion of Form H as FDOT determines is appropriate.

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21.	Technical	5.2.1.3(j)	Please clarify that the written statements required in this section will be provided by each individual company employing key individuals listed in the SoQ, as opposed to being provided by the Proposer.	The written statements shall be provided by the employer of the relevant key individual.
22.	Pass/Fail Requirements	5.2.1.4	The pass/fail requirements seem to indicate that we should submit copies of certain documents already produced in the SOQ. In the original copy of the submission, is the intent to include a second sets of original forms or can we submit copies in the pass/fail volume?	Please see revised language in final RFQ.
23.	Pass/Fail	5.2.1.4	Much of the information identified under 5.2.1.4 (Pass/Fail) is a duplication of information required in other sections of the SOQ. Please confirm that the Proposer is not required to duplicate information listed in this section that is already included elsewhere in the SOQ.	Please see response to Question 22 above.
24.	Pass/Fail	5.2.1.4(n)	Typo: reference should be to 6.2(<u>m</u>).	Please see revised language in final RFQ.
25.	Pass/Fail	5.2.1.4(o)	Typo: reference should be to 6.2(<u>g</u>).	Please see revised language in final RFQ.
26.	Pass/Fail	5.2.1.4(t)	Typo: reference should be to 6.2(<u>n</u>).	Please see revised language in final RFQ.
27.	Equity Member's experience	6.2(e)i and Form C-1	The definition of Equity Member refers to "a member of the Proposer's team that will contribute shareholders' equity to the Concessionaire as part of the financing plan for the Project". In a classic equity investment structure for P3 projects, equity sponsors typically establish special purpose holding companies through which they direct their equity investment. Often, that investment is injected into a specially created holding company that owns 100% of the interests in the Concessionaire. This structure has been used in many recent P3 projects, both in the US and in other jurisdictions. We also understand that similar holding company structures were used for the Port of Miami Tunnel and I-595 projects.	Thank you for your comment.
28.	Pass/Fail Review	Section 6.2 (e)(i)(1) Form C-1, note (2)	Section 6.2(e) (i) (1) and Form C-1 require listing projects that have achieved financial close within the past seven (7) years. Given the recent turmoil in the market, which started to affect project financing in 2008 and which significantly increased the level of scrutiny and of due diligence P3 projects now undergo, we believe it would be in FDOT's best interest to require to include projects that have closed in the past five (5) years, as they would better reflect a Proposer's ability to reach financial close under the current market conditions.	FDOT will not make the requested change.
29.	Equity Member's	6.2(e)i points 1	As discussed at our meeting, the requirement in subsection 3 that at least one of the projects in subsection 1 must have been in operations and under the control of the Equity Member for at least 5 years seems	Please see revised language in final RFQ.

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	experience	and 3	unintentionally restrictive. Mathematically, this requirement means that financial close must have happened in Years 1 or 2 of the 7 year period referred to in subsection 1 and that construction completion must then have occurred by the end of Year 2 (in order for there to have been a subsequent 5 year period of operations). For a project requiring \$500m of private debt and equity, these parameters seem extremely narrow (if at all achievable) – for example, the construction period itself is highly likely to exceed 2 years given the size of the project.	
30.	Pass/Fail Review	Section 6.2 (e)(i)(2) Section 6.2 (e)(iii)(2) Section 6.2 (e)(iii)(3) Form G	Typo: reference should be to 6.2(e)(i)(1) Typo: reference should be to 6.2(e)(iii)(1) Typo: reference should be to 6.2(e)(iii)(1) Typo: reference should be to 6.2(e)(iv)	Please see revised language in final RFQ. Note that reference in Form G to 6.2(d)(i) was corrected to 6.2(e)(i) as it relates to Equity Member experience.
31.	Pass/Fail Review	Section 6.2 (e)(i)(3)	Please clarify that this requirement is intended to capture projects that have been under the control of the Equity Member for at least five (5) years and that are now in operations (without a specific timeframe given that on the overall, projects must have reached financial close within the last seven (7) years). The current working may lead to interpret that FDOT is looking for projects with less than 2 years of construction (and 5 years in operations), which is not consistent with the magnitude of projects that include more than \$500 million of private financing. Furthermore, we believe that the most relevant projects for Proposers to demonstrate to FDOT their ability to raise and close financing for the I-4 Ultimate Project are the projects that have close recently in North America; given that most of these projects have reached financial close in the last 4 years, we suggest that this requirement be changed to include projects that have been under the control of the Equity Member for at least <u>four (4)</u> years.	Please see revised language in final RFQ. FDOT will not make the requested change.
32.	Pass/Fail Review	6.2(e)iv	6.2.e.iv. (2) Lead O&M Firm experience: <i>“Current work on at least one (1) roadway project that the firm has operated for at least three (3) years that involves traffic management/operations on urban limited access facilities.”</i> However, pursuant to section 6.2.e.iv. (1)(B) <i>“The Lead Operation and Maintenance Firm has operated each project for at least two (2) years”</i> We kindly request that the 2 timeframes are homogenized to 2 years of	Please see revised language in final RFQ.

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			involvement. This will allow proposers to bring to bear relevant experience and lessons learnt acquired in current projects that involves traffic management/operations on urban limited access facilities that have been under operations for at least 2 years.	
33.	Pass/Fail Review	6.2(e)iv	<p>One of the minimum requirements for the O&M Firm pursuant to section 6.2.e.iv. (2) states that:</p> <p><i>“Current work on at least one (1) roadway project that the firm has operated for at least three (3) years that involves traffic management/operations on urban limited access facilities.”</i></p> <p>Moreover, section 6.2.e.iv. states that in order to qualify for Lead O&M Firm experience:</p> <p><i>“The relevant experience must be on projects where the Lead Operation and Maintenance Firm held a minimum fifty percent (50%) of the ultimate responsibility for the listed operations and maintenance experience”.</i></p> <p>Please clarify if a project in which the O&M Firm has had more than the 50% of the ultimate responsibility of the project O&M during 10 years but in the last 3 years its ultimate responsibility of the O&M decreased to 40%, would pass the pass/fail evaluation of the Lead O&M Firm in section 6.2.e.iv.</p>	Please see revised language in final RFQ.
34.	Form A	Form A	Please confirm what materials are being referred to as “Legal Qualifications”.	Please see revised language in final RFQ, which uses the term “Legal Matters” to refer to contract breaches, terminations and claims described in Sections 5.2.1.1(e) and (f).
35.	Form C-1	Form C-1, note (6)	According to note (6), the project size to be mentioned in this Form C-1 shall not include “public debt, equity or capital grant”. However, Section 6.2 (e) (i) (1) of the RFQ mentions a threshold of \$500 million of private debt and equity. Can you please clarify that in Form C-1 the term “equity” refers to a public subsidy or more generally public funds?	“Equity” refers to private investment and does not include public subsidies or other public funds. Please see revised language in final RFQ.
36.	Form C-2	Form C-2	<p>What is a full parent guarantee under Form C-2? Is it the same guarantee as that mentioned in 5.2.1.2(d).vi?</p> <p>If an equity member (i) has received a Letter of Parent Company Support (not a guarantee), (ii) has audited financial statements and (iii) meets the financial requirements stated in the RFQ, can both the equity member and its parent company complete Form C-2?</p>	<p>Please see revised language in final RFQ.</p> <p>No – only the Equity Member should complete the form in such circumstances.</p>

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37.	Form C-2	Form C-2, note (*)	<p>Please amend note (*) so as to allow this form to be certified by the Chief Financial Officer of the reporting entity, as opposed to the CFO of the parent company for such reporting entity. This is consistent with other US precedents.</p> <p>(*) The Chief Financial Officer from each reporting entity must certify the information on this form as complete, true and correct. Information should be derived from audited financial statements where possible. Audited financial statements will prevail over this table.</p>	Please see revised language in final RFQ.
38.	Form D-3	Form D-3	Please confirm that the project the length of road under operation and the total road network operated is quantified by centerline miles.	Yes. Please see revised language in final RFQ.
39.	Form F	Form F	<p>The definition of “affiliates” is too broad in that it includes “joint venture members and partners” without any kind of limitation and as a result is impossible to comply with as it is not reasonable to expect firms to make representations on behalf of their joint venture members or partners on projects they are not involved with. As such, we request the following language be added to the definition of “affiliates”:</p> <p>Affiliates include parent company, subsidiary companies, joint venture members and partners (but only as to activities of joint ventures and partnerships involving the Proposer, any Equity Member or any Major Non-Equity Member as a joint venturer or partner and not to activities of other joint venturers or partners not involving the Proposer, any Equity Member or any Major Non-Equity Member) and other financially liable parties for that entity.</p>	FDOT will not make the requested change.