Pre-proposal meeting summary
Columbia River Crossing project - RFP for Traffic & Revenue Analysis Services

Date and Time: 7-9-2012, 11:00 am – 12:00 pm

Location: WSDOT SWR Headquarters
11018 NE 51st Circle, Room 124
Vancouver, WA

Staff
Nancy Boyd, CRC Washington Project Director
Kris Strickler, CRC Oregon Project Director
Les Brodie, ODOT Chief Financial Officer
Terri Slack, CRC T&R Project Manager
Carley Francis, CRC Finance
Peter Bosa, Metro
Scott Higgins, Metro
Richard Walker, Metro
Dennis Yee, Metro
David Pope, WSDOT

Attendees
Sam Bohluli, C&M Associates
Eugene Ryan, CDM Smith
Joe Cortright, Impresa
Sasanka Pulipati, C&M Associates
Herb Vargas, C&M Associates
Mike Jaffe, Mid-Willamette Valley Council of Governments

Terry Slack opened the meeting and conducted staff introductions. Doyle Dilley is not in attendance, if there are any specific procurement questions we will collect them at the end of the meeting to answer according to the schedule in the RFP to address questions. Terry Slack is managing the traffic and revenue study for the Client Team. Proposals are due to the address noted in the RFP by 4:00 pm on July 20, 2012.

Carley Francis provided background on the project and a current status summary.

Project is in an important corridor, it's on I-5. And between Mexico and Canada, when bridge goes up, it is the only red light. The project is working on addressing 6 problems in a 5 mile stretch: congestion, crashes, freight immobility, transit immobility, earthquake risk, and poor bike/pedestrian access connectivity.

The corridor carries a lot of freight, provides access to the ports and both states significantly rely on trade. There is 4-6 hours congestion today. In FEIS modeling, we anticipated that to grow to 15 hours of congestion in 2030 with no project. With a project we forecast reducing that to 3.5 to 5 hours of congestion.

Crash rates are high because of outdated design of the freeway, the close proximity of the interchanges, and high mix of freight in with regular vehicles. Crashes are expected to increase in the future without improvements and would be reduced with the project by improving the highway and extending merge and diverge sections.

Freight growth is forecast across all shipping modes with truck freight continuing to be the primary share.

Kris Strickler interjected a request to introduce meeting attendees. Eugene Ryan (CDM Smith) and Joe Cortright (Impresa), present in the meeting room, introduced themselves. Sasanka Pulipati (C&M Associates), Sam Bohluli (C&M Associates), Mike Jaffe (Mid-Willamette Valley Council of Governments) and David Pope (WSDOT – Toll Division), attending by phone, introduced themselves.

Project has been in development since 2005 and focused on preparing and completing an EIS. Previous studies looked at a larger section of the I-5 corridor. The process has been comprehensive with a lot of public involvement. The EIS was accepted and we received a ROD in December of 2011. It approves a specific project to address those 6 problems: replace the existing bridge, improve the interstate, extend light rail across and improve pedestrian and light rail facilities across that 5-mile area.

The current project development schedule expects construction to start in 2013, with the main bridge contract starting in 2014. This timing allows the south bound bridge to be open in 2018 and the north bound bridge to be open in 2020. We do anticipate that we will have pre-completion tolling starting in 2015 and light rail in service in 2019.

Tolling is an essential component in project funding. Project funding is expected from three primary sources: both states, federal funding, and tolls. Tolling is expected to provide about one-third of project funding. Total cost of the project is $3.1 billion to $3.5 billion.

Les Brodie spoke about bi-state coordination. Oregon and Washington are joint partners in this effort, inclusive of both the DOT's and the state treasurer's offices. As a group, they are interested in financial details and tolling scenarios and development. With this bi-state set of stakeholders, review time is a critical component, which is why we are happy that everyone is participating in this conference right now.

Nancy Boyd spoke about the focus for this work. The primary focus of this work is the information we need to be able to finance against our toll revenue. There are a couple of additional pieces of work that will help inform the legislative discussions we have coming up in the next legislative sessions. Part of this is leading up to what we need for bond sales in the future. But there are some questions we will have from both the WA and OR legislatures, some of which were specified in the 2012 legislative session. Carley is going to hand out that language (Appendix A). Some of those pieces of information that the Washington legislature is requesting is embodied in the scope of this work as well. Carley will be posting the materials for this meeting on the WSDOT website, including this handout. This is one of the components that are necessary to bring together the overall project finance plan. But it is a very important component that will help form legislative work in 2013 and lead into what we will need later. We need as much as information as we can get for the 2013 legislative session and need to complete the report due in July 2013.

Kris Strickler also spoke about the focus for this work. Where we are sitting right now in our process is we have one state [Washington] conducting the actual procurement for the RFP. However, there is a balance between the states: all the information on the project comes in to both states and Terri is managing this work effort for both states. The investment grade traffic and toll revenue analysis is one key focus for the work. The other is to support the state equity portion of the discussion; we are looking for equity dollars in the 2013 time frame out of both states. So the information coming out of this work will help with the 2013 legislative session as well as the final report that is due to WA in July of 2013.

Terri Slack closed the presentation portion of the meeting. As you can tell by both states attendance this is a critical issue for both states. They are partners on this project. We are going to open for questions. Proposals are due on July 20th. We are holding to that date and we are holding to the schedule that is in the proposal. This is a quick turn-around; our goal is to get the contract executed by September 28 so you can start working as quickly as possible to meet the needs of 2013.

Are there any questions?

Eugene Ryan: I understand that you will be the client project manager.

Terri Slack: Correct.

Eugene Ryan: I have a fairly specific question in the RFP section 2.2, it is noted that the consultant must be capable, I will just read the quote, "of systematic risk analysis of toll revenues, in particular one that addresses alternative future scenarios, changing travel conditions and sensitivities to model inputs and parameters." I think we generally understand that but we are not 100% clear on that phrase "changing travel conditions." What is meant by that?

Terri Slack: So I think the intent is as you are looking at your model, base assumptions and projecting out 30 years, are you seeing any traffic changes? I don't believe any changes are planned by the states in that corridor it would be more for what you are identifying in your model development.

Eugene Ryan: Generally what effects travel behavior in the future?

Terri Slack: Yes, that is correct.

Eugene Ryan: In the RFP it says there would be a meeting or a chance to ask the metro folks model questions, I assume that would be this meeting.

Terri: Yes.

Eugene Ryan: Generally understand you are applying the 4 step modeling process, but I believe that it says in there that you have been adding some other things including dynamic traffic assignment and things. It says that some of these things that are not in place not, but will be in place shortly. Can you elaborate on some of the modeling enhancements and the time frame? And if any of them have will have been used by that time.

Dick Walker: Some of them are cosmetic in a way. Costs are updated to 2010 values, we have added airport passenger model (ground transportation model), we have added improvements to the way we specify transit time perception. Those kinds of things are in process. There are a couple of things we are

working on diligently to make sure they are ready for application. For the past year and a half or so we have been working on a dynamic traffic assignment, although we do not have it running. This information would be available if it was of interest. We are setting up a sub area for the north area in case the contractor would like to use that. We have been doing a host of tests around the treatment of signals and treatment of different kinds of parameters. So the short answer is no, they are not in place immediately in the project, but we are working to get them in place.

Eugene Ryan: So the last comprehensive travel survey, was that completed in 94?

Dick Walker: We just completed one for 2011, so we have that data, we have data sets.

Eugene Ryan: Have you had a chance to incorporate that data into the model process?

Dick Walker: We have definitely used that data to reaffirm metro model output in terms of time of day, characteristics in terms of mode share characteristics and things of that nature, but we have not re-estimated the models for parameters. But we have found that we are matching quite well to that new observed data.

Eugene Ryan: It mentions in the RFP that the travel models will be available, and potentially the consultant will take those models as a base and make modifications. It makes clear that the resulted model will be clearly the responsibility of the consultant not attributed to Metro. Then there is a place that talks about the client team having a technical committee to review the changes or at least be made aware of what the consultant is proposing to change. Recognizing the consultant will have the ultimate responsibility at the end for the output, how do you anticipate that working with the respect to the review committee? Is that more or less informing, with the ultimate product the consultant's decision?

Terri Slack: It is the intent to promote understanding within the two states when updating the model to understand the differences. The intent is to understand the technical side, the parameters.

Eugene Ryan: Basically it is to help the consultant with as much information as possible from the technical people.

Terry Slack: Yes, for the technical side to understand, when we see the output, to understand the parameters or variables.

Nancy Boyd: I think due to the nature of the bi-state effort, it will be beneficial for the technical folks to advise the executive teams from all the different entities that have interest in this so that these people will be aware of the work from a technical perspective. The focus is on information for all the interested parties.

Eugene Ryan: Client team wants to know what the consultant is doing, how they are putting together their models, what's being considered, what's potentially not being considered. I was just getting at the nitty-gritty issues you get down to. There may be more than one way of doing things, but ultimately it's the consultant that decides that this is the way they want to go with their models if they are going to be taking responsibility for them.

Terri Slack: We want to understand what goes in the black box, so we can understand what is coming out. So we can educate and be prepared because we are looking for financing.

Eugene Ryan: My primary interest is confirming that the consultant, who is responsible for the model and outcomes, is also responsible for the decisions about how it is created.

Terri Slack asks if there are questions from C&M. No questions from C&M.

Terri Slack asks if there are questions from other parties on the phone.

Mike Jaffe: I would like a copy of the slides.

Terry Slack: Yes, Carley will be posting the slides and the budget proviso language that were used today They will be on the WSDOT website posting of this RFP.

C&M staff (by phone): It was mentioned that the 94 surveys were updated, will that data and the 2011 update data be available to the consultant as raw data?

Dick Walker: Yes you would have access to the raw data, but there would be the need to sign a confidentiality agreement.

Eugene Ryan: You mentioned that you updated the models to the 2010 base situation. I assume that include calibrating to 2010 and socioeconomic input data. Where did that socioeconomic data come from?

Dennis Yee: Employment data - We use confidential QCEW employer-employment data from the State of Oregon employment division and then geocode that data and sum it to TAZ geographies. Using BLS employment survey data, which is available more frequently, we are able to factor up the 2009 QCEW data by industry class (NAICS) to get approximations of 2010 TAZ employment estimates. However, in Clark County, we don't have the same access to confidential QCEW data due to RCW legislative restrictions on who may access and use confidential employment data; therefore, our TAZ level data is not as exact in Clark County. In the past, we had data from RTC from 2005 (circa), not geocoded point data. It was aggregated TAZ data. For our latest Clark county TAZ employment data, we are comparing and blending data from the Census LEHD dataset and ESRI business analyst employment data to augment estimation of TAZ level employment for Clark county. These data provide location weights and sector level information and with BLS employment data by class, we are able to factor the data to comparable 2010 base year data at the TAZ level. It is coarser and less exacting for Clark County employment data.

Household data: Census counts and Census PUMS data are used to generate the household data partitioned as a joint distribution of household size, income bracket and age of householders. The geographic coverage spans both states.

Eugene Ryan: On the 2011 survey, did it include any external info?

Dick Walker: No it did not.

Eugene Ryan: What would be the most current external survey information?

Metro Staff: Maybe the 80s or early 90s, we did a formal external survey. We can get you that date. But it has been a while. *UPDATE: The latest external survey was conducted in 1987. There is a brief description of Metro's external model on page 38 of the Metro model documentation that is an attachment to the RFP.*

Eugene Ryan: How do you do the truck model?

Dick Walker: For this region there is a commodity flow database, in that there are 20-25 different commodity types by tonnage and then they are partitioned by mode of entry and further partitioned by point of entry (e.g. those that are going to rail yards, truck terminals, airport). Given that database, given the tonnage and location of entry, we then estimate the truck flows. *UPDATE: There is a detailed description of the truck model starting on page 38 of the Metro model documentation that is an attachment to the RFP.*

Terri Slack: Any other questions? Can we get information from folks on the phone to add to the sign in sheet?

Herb Vargas-hvargas@candm-associates.com
Sam Bohluli-sbohluli@candm-associates.com
Sasanka Pilipati-spulipati@candm-associates.com

Joe Cortright: I have some questions, I can ask them now or leave them with you. (See handout) I don't necessarily require an answer now.

Nancy Boyd: Why don't you read through them and we can tell you if we can answer any of them now?

Joe Cortright: There is requirement in the RFP that consultant provide previous forecasts and the accuracy of those forecasts. It's a little bit vague on what information that they are required to provide. What I am asking is will they be required to submit data on the actual traffic and revenue for the facilities for which they have done previous work forecasts.

Terri Slack: My immediate answer is that we are putting together the evaluation plan where we are going to make the determinate how are we doing to answer that. At this point I cannot tell you what we will be looking for.

Joe Cortright: There is provision that it says the lead consultant has to provide information on accuracy of previous forecasts but that does not appear to apply to additional consultants. Is that correct?

Terri Slack: I will have to confirm that, I cannot answer that right now.

Joe Cortright reads questions (see attached).

Regarding question 6, Terri Slack answers that yes, the work will address phasing.

In response to question 20:

Terri Slack: Schedule is driven by the legislature; the budget proviso and other milestones are dictated by legislature.

Nancy Boyd: The other items you mentioned should not affect this schedule.

Terri Slack closes the meeting. Questions regarding this RFP should be directed to Carley. People should not contact Metro directly. We do this to monitor the questions in case any addenda are needed. We are holding to the July 20th, 4pm deadline. Last day to send questions is actually tomorrow. Thank you for your attendance and I hope you found this meeting valuable.

Attachment: Questions submitted by Impresa, Inc. to the July 9, 2012 CRC Traffic and Revenue Forecasting Pre-Proposal Meeting

Attachment

Questions submitted by Impresa, Inc., to the July 9, 2012
CRC Traffic and Revenue Forecasting Pre-Proposal Meeting

1. Data on previous forecasts. Will consultants be required to submit data showing how their forecasts of traffic and revenue from previous projects and the actual levels of traffic and revenue realized by these projects?

2. Fuel prices. Will consultants be asked to model the impact of different levels of gas prices?

3. Disaggregation. Will consultants be asked to disaggregate travel and revenue forecasts by trip purpose and traveler income?

4. Truck traffic. Will consultants be asked to prepare separate estimates for truck travel and truck diversion?

5. Scenarios/Confidence Intervals. Will consultants be asked to provide alternative scenarios and provide confidence intervals for their estimates?

6. Partial project. Will consultants be asked to prepare estimates reflecting the traffic and revenue associated with a partial or phased project?

7. Impact of Road Pricing. Will consultants be asked to assess the impact on traffic and revenue forecasts of possible future imposition of road pricing (per mile fees) in the project area?

8. Alternative toll levels. Will consultants be asked to test the traffic and revenue implications of alternative toll levels?

9. Critiques of existing CRC traffic and revenue forecasts. Will consultants be provided with materials submitted for the public record criticizing CRC's current traffic and revenue forecasts?

10. Disclosure. Will consultants be required to disclose their model and model assumptions as part of their report?

11. Economic cycles. Will consultants be asked to model the effect of periodic economic recessions on traffic and revenue?

12. I-205 tolling. Will consultants be asked to examine the effects of tolling I-205?

13. Housing market changes. Will consultants be asked to incorporate an analysis of changes in housing market patterns within the Portland MSA since 2008 in their analysis?

14. Transit forecasts. Will consultants be asked to validate the assumptions and results of corridor transit ridership forecasts, i.e. for CRC LRT ridership?

15. Park and Ride Pricing. Will consultants be asked to assess the impact on traffic and revenue if CRC LRT park and ride lots in Vancouver are priced rather than provided free to transit users?

16. Revenue-maximizing toll. Will consultants be asked to estimate the revenue-maximizing level of tolls, i.e. the maximum toll that can be charged before diversion due to the price elasticity of demand results in total revenue decreases from further increases in toll rates?

17. Income incidence. Will consultants be asked to provide estimates of the incidence of tolls by income class?

18. Incidence by state. Will consultants be asked to provide separate estimates, by state of origin, of the amount of tolls to be paid by residents of Oregon, Washington and other states?

19. Diversion-related VMT. Will consultants be asked to provide an estimate of the increase in vehicle miles traveled attributable to longer trips associated with toll-based diversion to I-205?

20. Schedule changes. How will scheduled delivery of products by contractor be affected by ongoing, un-resolved project issues, including US Coast Guard review of navigational clearances, litigation of the project's environmental impact statement, and possible state referenda on legislation to provide project financing?