MINUTES

Meeting of the Massachusetts Department of Transportation (MassDOT)
Public-Private Partnership ("P3") Oversight Commission
August 25, 2026, at 9:00 A.M.

MassDOT District 3 Office, 499 Plantation Parkway
Worcester, MA 01605

This meeting was held both in-person and virtually.

P3 OVERSIGHT COMMISSION MEMBERS PARTICIPATING:	*Chair Kevin Sullivan (KS),* *Commission Member Joseph Bonfiglio (JB),* *Commission Member Joseph Dorant (JD),* *Commission Member Eric Goodwine (EG),* *Commission Member James Errickson (JE),* *Commission Member John Payne (JP)*
OTHERS PARTICIPATING:	*Undersecretary and Highway Administrator Jonathan Gulliver (JG),* *Chief Operating Officer Meghan Haggerty (MH),* *Director of Strategic Initiatives Andrew Paul (AP),* *Deputy General Counsel Susan Snyder (SS),* *Deputy General Counsel Owen Kane (OK),* *Legal Subject Matter Expert Frank Powell (FP)*

OTHERS PRESENT:	*Anna Baker (MassDOT), Andrea Cirelli (MassDOT), Marshall Hook (MassDOT), Pam Liaperdos (MassDOT), Allison McMordie (MassDOT), Vandna Mehta (MassDOT), Janelle Ortiz (MassDOT), Talia Payne (MassDOT), Koby Lemrise (MassDOT)*
OTHERS ATTENDING VIRTUALLY:	*Carrie Wicker (MassDOT), Craig Cashman (MassDOT), Emily Pedersen (MassDOT), Patrick Snyder (MassDOT), Sushma Chhetri (MassDOT)*

Safety Briefing

The audience was given a safety briefing.

Notice of Recording

The audience was given notification of recording.

Kevin Sullivan (KS), Chair, requested *Owen Kane (OK), MassDOT Legal Counsel*, to call the roll of the members participating:

Commission Member Payne	**Present**
Commission Member Dorant	**Present**
Commission Member Bonfiglio	**Present**
Commission Member Errickson	**Present**
Commission Member Goodwine	**Present**
Commission Chair Sullivan	**Present**

Sullivan declared the presence of a quorum.

Sullivan motion to approve the meeting minutes of July 8, 2026, which was seconded and unanimously approved by the Commission.

SERVICE PLAZAS PROCUREMENT REQUEST FOR PROPOSALS (RFP) TRANSITION AGREEMENT AND LEASE CONCESSIONS AGREEMENT

Meghan Haggerty (MH), MassDOT Chief Operating Officer, opened the formal presentation with the expected meeting outline.

Communication Protocol

Commission members were reminded not to communicate about the RFP or procurement process with anyone except MassDOT's designated point of contact or legal counsel and to only communicate via MassDOT-issued devices and email addresses.

Agenda

The presentation agenda overview included information on the Transition Agreement, Lease and Concession Agreement, using the P3 Checklist, additional provisions, and differences from the prior lease.

Public Comment

Kane confirmed there was no public comment.

How to Use the P3 Checklist for the RFP

The speaker transitioned to *Andrew (Andy) Paul (AP), MassDOT Director of Strategic Initiatives*.

Paul addressed Commissioner Errickson's question from the previous meeting regarding the responsibility of the Commission. He directed the Commission to the ten points in Exhibit C that the Commission is required to include in their report. Paul explained Exhibit A and the role of the P3 Checklist.

Discussion

Question (JD): I was under the impression that the Commission votes after completing our review, but the Guidance Manual states that the Commission does not vote until after it has received written comments from the Inspector General and the Attorney General who each have 30 days?

> Response (AP): Yes, the 15-day timeline is for a written response, not official comments.
>
> Comment (KS): The timeline language raises concerns. The Commission can indicate toward the end of the meeting that more time is needed. The process is involved for the Commission, and we plan to ensure it does its due diligence.

How to Use the P3 Checklist for the RFP (Cont.)

The Commission was directed to their copy of the P3 Checklist. Paul briefly reviewed the items that could be checked off from the August 24, 2026, presentation. RFP Checklist item 1R was addressed on slide 33 and was checked off visually for the Commission. Item 2R was addressed on slides 37, 33, and 24. Item 3R was addressed on slide 33.

Discussion

Question (KS): Is there a template to measure (evaluation) sub-percentages?

Response (AP): Financial advisors and external support determined the percentages and justifications. The redevelopment of the plazas and the ongoing operations are equally important, so they have an equal percentage despite the different timeline durations.

How to Use the P3 Checklist for the RFP (Cont.)

Slide 24 addresses discussions with potential proposers through the one-on-one process. Slides 25 and 26 address confidential and proprietary information.

The Checklist references slides and portions of the documents where the required items are addressed.

Discussion

Question (KS): What is considered proprietary information?

Response (SS): The sections of the RFP referenced in the Checklist that correspond with each requirement explain more than the information presented on the slide. MassDOT can also answer any questions.

Comment (KS): A lot of this information will become public so I will read the section to see what is considered proprietary.

How to Use the P3 Checklist for the RFP (Cont.)

The design inclusion requirement, item 6R, is addressed on slide 27.

The open proposals requirement is addressed on slide 32 and in the contract documents.

The register of proposals prepared by the department, item 8R, is addressed on slide 36 and RFP documents Section 5.2.

The proposer's ability to request a review requirement is addressed on slides 25 and 26.

The independent peer reviewer requirement, item 10R, is addressed on slide 26.

The Proposal Evaluation Criteria are addressed on slide 33 and include the relative importance of price and key factors, the relative importance of demonstrated compliance with design requirements, relative importance of qualification, importance of financial capacity, relative importance of elimination of existing public debt, relative importance of lowest user charge, other factors if any, and to not include the amount paid by the contractor to the department for procurement requirements.

Discussion

Question (KS): If the bidder omits something, is there a date by which it must be cured?

Response (SS): Yes, that is in the RFP. The responsiveness review includes an opportunity to reconcile mistakes. If they do not respond, they do not move forward.

Comment (KS): The objective is to make it easy to participate and invite more competition.

Question (JE): Is there a minimum financial capacity that is pass/fail?

Response (FP): It is not a minimum financial requirement, but there must be audited statements that notify MassDOT of material adverse events in the last two to three years. It is a comprehensive financial disclosure, but there is not a numeric requirement.

Question (KS): Do you reserve the right along the contract timelines to issue bonds or other means of financing?

Response (AP): Not through this solicitation process. There are different allowances for proposing funding process.

Question (KS): You are saying they cannot rely on it?

Response (AP): Correct.

How to Use the P3 Checklist for the RFP (Cont.)

The requirement to provide debriefings to proposers, item 19R, and the payment of stipends, item 20R, is addressed on slide 36.

Soliciting the proposal development documents, item 21R, is addressed on slide 25 and slide 26.

The requirement of complying with applicable provisions of Chapter 149, item 22R, will be addressed today.

Reserving the right to a Best and Final Offer Process (BAFO), item 23R, is addressed on slide 30.

Discussion

Question (KS): In line with the BAFO price, is there a chance for bidders to upgrade their technical response?

Response (AP): There are different ways MassDOT could do it. It could be just price or just technical. The selection process with the combined scores does mean that through the BAFO process, if a proposer changed just the technical response, they could score higher. MassDOT is only reserving the right to conduct a BAFO process.

Comment (KS): Those can go both ways, be careful.

Response (AP): Yes, we do have to be careful.

How to Use the P3 Checklist for the RFP (Cont.)

The requirement of the RFP to contain the proposed form of contract, the Lease, is addressed on slide 22.

The requirement of adequate public notice of the RFP with an opportunity for public comment is addressed on slide 24.

Discussion

Question (JB): On 20R, about the stipends, are they always included in design-build?

Response (AP): Yes, always. Design-build is slightly different where it is a two-step process with a request for qualifications (RFQ) and then an RFP. For the Service Plazas, it is just the RFP. In design-build, stipends are always awarded to short-listed entities submitting a response to the RFP.

Response (KS): I believe that was done on the Route 3 North project. It is a more popular process today than it was 30 years ago.

Response (AP): The outside financial advisors have given other examples where stipends are used to encourage highly technical proposals that encourage innovation.

Response (AP): Proposers must agree that MassDOT owns the idea as part of their proposal to receive the stipend. That information and alternatives can be used with the awarded Concessionaire. It is exercised in design-build. MassDOT paid for the technical services and can incorporate ideas if appropriate.

Transition Agreement

The Transition Agreement (TA) is used when a Concessionaire has been selected to govern the period between Commercial Close and Lease Commencement.

Service Plazas Procurement Request for Proposals

The TA is a contract which governs the period between Commercial Close and Lease Commencement. It identifies obligations that must be achieved to reach Financial Close.

Transition Agreement

The TA gives the Selected Proposer limited site access without interrupting existing operations. MassDOT is giving proposers greater information than the previous process and less planning work is needed

during the transition period. Financial Close and coordinating with the existing tenants will be the primary focus.

Transition Agreement – Financial Closing Security

MassDOT is protected by Financial Close Security included in the Transition Agreement. If Commercial Close is achieved, but not Financial Close, then MassDOT receives $2M for the Eastern Grouping, $2M for the Western Grouping, and $4M for the Central Grouping.

Discussion

Question (KS): Is there language that speaks to the transition of vendors and how entities should cooperate?

Response (AP): MassDOT has dealt with this before. As landlords, MassDOT has rights over the tenants and the ability to access a site if mediation is needed.

Response (KS): We have not done this in a long time and vendors have been there for years. It may be tough to say their time is up

Response (AP): Some of this was done last summer when there was a transition period, so the team is familiar to it. It is not a surprise the leases are ending.

Question (EG): Is the TA the immediate next step post winning bid?

Response (AP): Yes.

Question (EG): If it is found that the winning bidder is not the greatest fit, even with the risk mitigated by the Financial Close Security, is there a warm-up period before being committed to the TA?

Response (AP): Some of the warm-ups are through the Q&A period where material changes may be made. The completeness review as mentioned will provide an opportunity for a responsive proposal. There is also the opportunity for the BAFO process. It will be days between the vote of the MassDOT Board to approve the contract and when they enter the TA.

Question (JB): What processes will be in place in the unlikely event that you don't reach Financial Close?

Response (AP): The Financial Close Security will be secured and MassDOT reserves the right to go to the next highest proposer. This was not an option in the previous proposal process. Less time will be available, and Financial Close Security can be used to pay tenants or our own rent if MassDOT is required to pivot.

Response (SS): The Closing Security is to protect MassDOT. The proposal of the second-place bidder is binding so MassDOT does not return to square one.

Question (JB): There is a TA for each grouping, correct?

Response (AP): Yes, even if it's one proposer that is awarded, there are still different RFPs and an agreement for each.

Financial Close

Overall, the Concessionaire demonstrates its accepted proposal is financed, bonded, and insured to assure MassDOT it can perform the Lease obligations. Financial Close obligations are identified in the TA including evidence of equity and funded debt per the commitment letters, an independently audited financial model, and proof of insurance and bonding.

Discussion

Question (KS): Are the financials of a private firm considered proprietary?

Response (AP): It could be. Some financial modeling could include proprietary means and methods that would need to be confirmed by MassDOT. This is the TA phase, and it is a public contract so it may no longer be proprietary.

Question (KS): Is the MassDOT Board aware of what is happening today?

Response (AP): There have been touchpoints with the Board. The Secretary and Undersecretary have updated the Board in the previous months. Meghan Haggerty and I have met with Board members to discuss questions. They are ultimately approving this contract.

Response (MH): All of the meetings are recorded and accessible to the Board members if they wish.

Lease and Concessions Agreement

Service Plazas Procurement Request for Proposals

The Lease and Concessions Agreement is a 35-year lease with a 10-year renewal option that sets forth the contractual relationship between MassDOT and the selected Concessionaires.

Items 1L, 2L, 3L, 19L, and 20L are addressed on slides 14 and 15. More information is provided in the document.

Objectives

The objective of the Lease and Concessions Agreement is to govern the Concessionaire's rights and obligations for the Lease Term. There are four primary objectives: the transferring of responsibility; providing a long-term

revenue stream; establishing performance, reporting, security, and oversight requirements; and preserving enforcement, step-in, and termination rights to protect the Commonwealth's interests throughout the Lease Term and mitigate risk.

Discussion

Question (KS): Will MassDOT know all the contractors by the time of the bid?

Response: (AP): No, not all of them. MassDOT will know key personnel and team members. For example, a boring rig needed short-term for a week may not be at the level of detail that is included in a proposal.

Question (KS): I did not mean sub-contractors. Will you know all the entities with the proposer? For example, the gas station?

Response (SS): He means the sub-tenants.

Response (AP): We can get back to you.

Response (SS): We are prioritizing local industry and vendors so proposers will likely show some of those plans.

Response (FP): In proposals, the possible sub-tenants will be included.

Response (AP): They do not all need to be listed. There will be information on the services to be provided and the possible sub-

tenants that meet the criteria MassDOT sets forth. They cannot bring in a tenant outside of the allowable use on the site like a movie theatre.

Question (JP): What happens if a proposer includes a cannabis store?

Response (SS): There are prohibited uses in the lease. It goes back to the operations and maintenance plan with an enforcement regime. It is robust.

Question (JE): There could be multiple tenants over forty years. Will there be ongoing reviews by MassDOT to ensure tenants continue meeting requirements?

Response (AP): Yes.

Response (SS): The local products requirement goes by percentage of shelf space.

Question (KS): Do you have a list of prohibited uses?

Response (SS): Appendix G.

Question (KS): Is liquor one of them?

Response (SS): Yes, it is.

Comment (JP): Ten years ago, people would not have imagined cannabis stores. Where are we going to be in 25 years?

Response (SS): There is an amendment process built into the Lease.

Objectives (Cont.)

Item 19L is addressed on slides 14 and 15.

Item 20L, sale or Lease to the Operator of private property related to the transportation facility, is covered in the Lease.

Items 15L, 21L, 22L are addressed on slide 15.

Key Commercial Terms

The Lease Term is a 35-year term with a potential 10-year extension subject to MassDOT approval. The Operational Rent is the annual rent the Concessionaire pays for the Lease Term. Annual rent is the Revenue Share Rent plus the Minimum Annual Guaranteed Rent. The Capital Expenditure (CapEx) is the minimum Capital Commitment Amount for the Redevelopment Period of the Lease. Triple Net Structure (Property Responsibility) is the responsibility of the Concessionaire for utilities, taxes, operating costs, maintenances, repairs, and capital investments. The financing responsibility is the sole responsibility of the Concessionaire for the debt obligations without recourse to MassDOT or the Commonwealth.

Items 14L and 15L are addressed on slide 15.

Discussion

Question (KS): Are there measures to prevent price gouging consumers to increase expected revenues since this is 60% of the proposal?

Response (AP): Appendix H covers the survey to be conducted plus or minus 10% for pricing that is submitted to MassDOT throughout the term of the Lease.

Comment (KS): My other concern, that may not be able to be addressed, if you are overly reliant on fossil fuels, what does that mean ten years from now? The volume may not be there. I guess it is up to the proposers.

Response (AP): I am sure some of the risks will be built in with their approach to a 35-year Lease.

Question (KS): Is there a list of alternative fuels that may be more popular?

Response (AP): I am overseeing multiple EV charger installation contracts. That process proceeds separate from the Service Plaza Procurement. MassDOT had Liquified Natural Gas (LNG) tanks that have been removed because they were not used. MassDOT will not put policy goals on the Concessionaire, and MassDOT has capital funds and will invest them in the sites. If customer preferences change, for example EV

chargers are popular, we presume the Concessionaire will want to install them.

Comment (KS): MassDOT has done the work, and I think you are covered. I was curious what ten years looks like.

Response (SS): Through the Operational Rent and the Revenue Share Rent, MassDOT gets a share of everything that is made. If there is a fuel shift, MassDOT will still get a share. The Concessionaire is incentivized to make money and MassDOT will make money when they do.

Response (AP): The money could be made from fuel or other strategies.

Response (KS): Yes, the burden is on the Concessionaire.

Using the P3 Checklist to Review the Lease

Paul reviewed the items that have already been crossed out of the Checklist and the remaining items.

Lease and Concessions Agreement: Redevelopment Period

Development Period: Design and Construction

The redevelopment process starts as a continuation of the proposal phase with the Initial Plaza Redevelopment Plan that sets a 25% baseline of redevelopment work. Design and construction standards are established and

the design plans are advanced to final design. MassDOT reviews the design plans.

Discussion

Question (KS): Responsibility is on the proposer, correct? If the price of steel increases, that is on the proposer?

Response (AP): Yes, but if the price of steel goes down it could benefit them.

Development Period: Design and Construction

The redevelopment process ends when the Concessionaire completes the binding construction plan and MassDOT accepts the sites as being operational. The independent peer reviewer ensures design and construction adhere to the contract documents.

The Concessionaire pays for all redevelopment work at the minimum set in the CapEx amount. The Operational Rent is paid throughout the Redevelopment Period. MassDOT must pay for MassDOT-directed changes or certain pre-existing environmental conditions.

Discussion

Question (JD): If a Concessionaire expands EV and needs more electric capacity, would they go to MassDOT?

Response (AP): For EV charging, there are current projects to expand power at the sites to enhance EV charging. MassDOT gets grants and other federal funds for this work and will continue working on these projects. If the Concessionaire wants to build more than MassDOT intends, it is on the Concessionaire the same way as if there was greater demand for the building. This is outlined in the contract. Some areas are more cost effective than others.

Question (KS): Does MassDOT charge for the EV charging stations?

Answer (AP): Yes.

Question (KS): Does the Concessionaire charge or does MassDOT own them?

Answer (AP): It is a mix. Some are MassDOT-owned, operated, and maintained. MassDOT passes the electricity cost to the customer. In other places there is a tenant that charges for EV and MassDOT gets paid from rent.

Question (KS): What is the capacity in the western part of the state where there are fewer options?

Response (AP): There are two sets of two EV chargers at the Lee Service Plazas. There are multiple procurements to install more EV charging in the western part of the state at Blandford and Ludlow today, not waiting for the new Concessionaire.

Question (KS): It is not in the scope of this RFP, but could something be done at rest areas?

Response (AP): MassDOT can do something if they're not on interstate highways. For example, the Johnny Appleseed Rest Area in Lancaster on Route 2 westbound is getting EV chargers installed in addition to other locations.

Development Period: Design and Construction

The redevelopment period is a large portion of the contract.

Item 8L is addressed on slide 20 and Lease Section Article 12.2 through 12.4. Items 10L, 21L, and 22L are also addressed on slide 20. The apportionment of expenses between the Operator and the department is noted on slide 20.

Lease and Concessions Agreement: Operations and Maintenance

Operations and Maintenance

The Plaza Operations and Maintenance Plan (POMP) is submitted alongside the Technical Proposal and is binding and enforceable through the Lease. The Concessionaire must meet the Operations and Performance Standards and return the Service Plazas to MassDOT in good working order at the end of the Lease.

The POMP is a set of plans that establish operating standards. The Operations and Maintenance Performance Standards are MassDOT's standards for how assets must be maintained. It establishes inspection rights, sets out liquidated damages, and measures and enforces outcomes.

Item 4L is addressed on slides 22, 23, and 24. Item 9L is addressed on slides 20 and 22. Items 8L and 13L are addressed on slide 22. Rights and duties of the Operator are addressed on slide 22.

Discussion

Question (KS): For item 18L, the terms and conditions of indemnification of the Operator, is there language that will indemnify the Commonwealth in an event?

Response (SS): This provision is confusingly worded. MassDOT is not indemnifying the Operator or Concessionaire, but the Concessionaire is indemnifying MassDOT. The Statute states "…terms and conditions of indemnification as required by applicable law." There is no applicable law that requires MassDOT to indemnify. Lease Sections 18.1 and 18.2 include that the Concessionaire will broadly indemnify MassDOT.

Question (KS): Is there constitutional language?

Response (OK): There is. The Massachusetts State Constitution limits the amount of indemnification the Commonwealth can bring.

Question (KS): What about those that indemnify us?

Response (OK): They can and they should. We have them do it all the time.

Question (KS): Is there a liability policy that would have to be filed with us? If the limit of indemnification is not known, it can be intimidating for Concessionaires.

Response (SS): Securities and protections will be discussed in later slides. If that does not answer your question, we can come back to it.

Comment (KS): All the terms can be frightening for entities that have not done business with the government. The goal is to invite more proposers, not scare them away.

Response (AP): The pre-existing environmental conditions language is there to ease some responsibility. There is similar language that does not completely indemnify the State, and there are other clear securities.

Comment (KS): Some provisions may be so rigid and embedded in the language that entities do not bid.

Response (AP): There are different ways to secure financing or lending for this project and language in those outside processes may scare bidders.

Question (KS): There is not much that can be done other than be specific. If the contract is worth a billion dollars, is the State being indemnified for that much?

Comment (JP): The plain reading of 18L indicates that there is indemnification by the Department to the Operator.

Response (SS): It is by applicable law, and we can find no applicable law that would require MassDOT to indemnify the Operator.

Question (JP): Why do you include that language?

Response (SS): It comes directly from the Statute. We are still complying with and satisfying the requirement because there is no applicable law.

Question (JE): Does that article of the lease state that MassDOT is not indemnifying the Operator?

Response (SS): Yes, and that article of the lease has language of the Operator indemnifying MassDOT.

O & M Enforcement Regime for Bathrooms

The quality and customer service is of the utmost importance and MassDOT has developed an enforcement regime for the life of the Lease. Bathrooms are commonly brought up. There are liquidated damages

increasing in value over time if the standard is not met upon inspection. Plaza Probation results after $35,000 in damages or twelve (12) damages within a month. A Corrective Action Notice requires a plan to be submitted within ten (10) days. Failure to cure by the date in the Corrective Action Plan results in default.

The enforcement and inspection regime applies to each of the sites. MassDOT will maintain site access. Operators will have their own management and feedback systems that MassDOT will have insight into.

O & M Enforcement Regime for Beverages

Another example is the enforcement regime for beverages which relate to health code. There is no 24-hour liquidated damage because the systems in this category likely take longer to replace, but a more graduated penalty is in place after 15 days. Probation, Corrective Action Notice, and then default if the Operator fails to meet the date in the Corrective Action Plan.

Items 23L and 24L are addressed on slide 24 and the Lease.

Discussion

Question (KS): Are the sites subjected to local Board of Health?

Response (AP): Yes.

Question (KS): Are other groups looking at this?

Response (AP): MassDOT will be doing inspections, but separately other entities like the Board of Health or Fire Inspector could come in just like they can with any other business.

Response (JE): Local communities do not oversee building inspections.

Question (JE): Is Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) overseeing this?

Response (AP): We are working with the State Building Inspector. Fire and electrical connections would be local.

Question (KS): Local meaning the Town?

Response (AP): Yes.

Question (JE): Do the fees increase over the life of the term?

Response (AP): Yes, they are tied to CPI or 3% or the greater thereof.

Question (JE): Is the penalty per failure? For example, finding three broken soap dispensers is considered three failures?

Response (AP): Yes.

Question (JE): Is there any reverse liability? If MassDOT inspects temperature and then a customer is impacted by that. What is the chain of liability?

Response (AP): The Operator must have their own inspection regime as well.

Response (SS): The Operator is the responsible party and is in control of the site.

Comment (JE): These are just notifications to ensure items are fixed.

Response (AP): It is the enforcement regime not the quality regime.

Response (SS): This protects MassDOT because if an Operator continues to not follow procedures and they are a bad tenant there is a path to ultimately default and remove them.

Question (JE): A termination clause would be looped in with this as well?

Response (SS): Yes.

O & M Enforcement Regime for Beverages (Cont.)

Feedback is in the liquidated damages and enforcement regime. Significant complaints from one site will be viewed differently than complaints spread across several sites. Industry best practices will be used to get feedback from customers.

Additional Provisions

Pricing Guidelines and Truck Parking Fees

Pricing guidelines are in Appendix H to protect the travelling public from price gouging. This includes a 10% exceedance limit compared to off-highway locations, new concepts require MassDOT approval, EV charging using fixed pricing, and annual pricing surveys. Concessionaires may charge truckers a fee to reserve parking, but no fees may be collected for general use.

The collection of users fees is addressed on slide 26.

Discussion

Question (KS): Is that Truck Parking Reservation System in place now?

Response (AP): No, and a trucker lounge will also be included as part of the requirements for rebuilding. The bathroom facilities may have shower or laundry capabilities.

Question (JE): Is the requirement that prices do not exceed 10% for comparable off-highway locations mostly for gas, EV, and/or fuel? Are the locations pre-determined or are they set by MassDOT at each service location?

Response (AP): It will be off-highway regional and include food and beverage.

Question (JE): It is a geographic area?

Response (AP): Yes, and AAA does EV pricing surveys statewide which may be used. Locations may change as businesses open or close, so a general survey will be used to avoid using fixed locations.

Question (JE): The gas prices in Newton should not determine the gas prices in Lee.

Response (AP): We can get you that answer. It may have been a radius for fuel.

Response (SS): I believe it is in Appendix H.

Labor Requirements

Additional provisions in the Lease include labor requirements. Concessionaires are required to enter into a Project Labor Agreement prior to construction. Concessionaires are required to maintain labor harmony for the entire Lease term, obtain labor and material payment bonds to cover all work, pay prevailing wages, and give preference to veterans and citizens of the Commonwealth in hiring construction workers. MassDOT has enforcement rights under the Lease if requirements are not abided.

Item 22R, 26L, and 27L are addressed on slide 27.

MassDOT Protections

The Concessionaire provides financial and performance protection for MassDOT. This includes maintaining liability insurance, providing a Letter of Credit, securing construction performance and payment bonds for redevelopment, Project Contract and Lease Guaranties, and broadly indemnifying MassDOT against loss.

Discussion

Question (KS): Is there an insurance limit on the liability?

Response (FW): All the insurance policies have applicable limits.

MassDOT Protections (Cont.)

MassDOT has audit and approval rights over the Concessionaire. MassDOT has broad audit approval rights, right of approval over key project participants, and right to approve significant financing, refinancing, assignment, and change transactions.

Discussion

Question (JD): In the summary there is language that no federal or state money is being used. Can the Concessionaire apply for a Transportation Infrastructure Finance and Innovation Act (TIFIA) Grant?

Response (AP): They can, but we are not intending for them to. They would likely have a challenge meeting the schedule requirements, so it is unlikely to be an option that is pursued.

Question (KS): But they can, so would they need MassDOT permission to do so?

Response (AP): Yes. There are questions about if it would go against the State's ledger. Outcomes have depended on the agency.

Response (SS): We will get back to you on that. The lease states TIFIA Loans cannot be used initially. The question is if they could be used subsequently.

Question (JE): Is this the section with language on the transfer of ownership where MassDOT reserves the protection to review that?

Response (AP): Yes.

MassDOT Protections (Cont.)

Accounting and audit standards that will be used to evaluate progress and audit rights are addressed on slide 28. Items 11L and 12L are addressed on slide 28.

Discussion

Question (KS): Is the indemnification language required by the Statute or could it be amended by the Commission? It is misleading for bidders who may not know what the applicable law is.

Response (SS): Had there been applicable law requiring MassDOT to indemnify the Operator, the P3 Statute would have required it be included. There is no applicable law, so it was not included. The indemnification provisions in the lease do not come from the P3 Statute itself. They go beyond the Statute.

Response (AP): As a proposer, do they utilize that Statute or the Contract? The Contract is clear, but maybe it should be stated that there is no applicable law to indemnify the Operator.

Response (SS): I believe that is in the Contract.

Question (JP): For Item 11L, I understand the maintaining of Liability Insurance, but saying "self-insurance reasonably acceptable" is a potential problem. MassDOT should be able to determine coverage is enforced at any time by calling the insurer.

Response (SS): The Lease Provisions cited in 16.1 through 16.4 detail the specific insurance requirements. The language that you cited is part of the Statute and must be included in the contract. We can define what is reasonably acceptable.

Question (JP): What is reasonably acceptable?

Response (SS): That is in Section 16.1 through 16.4.

Comment (JP): What is reasonably acceptable must be very tight.

Response (AP): I have seen that done one time and there were other requirements of financial information to show insurance.

Response (SS): Outside financial advisors are making sure we do not make mistakes.

Question (KS): What Statute is that language a part of?

Response (SS): General Law Chapter 6C Section 63 to 73, which is called the P3 Statute. The middle column on the Checklist references specific statutory references.

Comment (JD): Maybe the Commission can make a recommendation on the Statute language in the report. Does the report for this go to the Legislature?

Response (SS): Yes. That is a great idea for strengthening the language.

Question (EG): Is the "applicable law" phrase, from a legal perspective, MassDOT's out for there not being an applicable law?

Response (AP): Yes, we are not indemnifying the Operator.

Comment (EG): A Concessionaire may try to rely on the Statute.

Response (SS): They will not be able to. They only have the Lease.

Comment (KS): Risk offices at financial institutions will look at this. Their perspective will make decisions. We should be more specific.

Response (AP): When the RFP is issued, we will likely get questions that we will have to clarify or amend. If it results in a material change it will come back to the Commission.

Question (KS): Who within a company is most likely to engage in this process?

Response (AP): There are some sole proprietors and other financiers.

Response (SS): Some Chief Executive Officers.

Response (MH): Most people we have encountered in the last year are principals. It is a large enough investment that top leadership is involved.

MassDOT Retained Rights and Remedies

MassDOT retains the right to install or expand public programs and infrastructure and EV charging facilities. MassDOT also retains the ability to undertake future projects near Service Plazas and amend the Lease by mutual agreement with the Concessionaire.

MassDOT has broad remedies in the event of a Concessionaire default. These include drawing on security, exercising step-in rights, terminating the Lease without termination payment, and assuming project agreements. MassDOT remedies in the event of default will preserve operational continuity while protecting Commonwealth assets.

Items 7L, 8L, and 17L are addressed on slide 29.

Discussion

Question (JP): Can you give an example of a foreseeable amendment? Does changing the Lease cause problems with someone who did not become Concessionaire?

Response (MH): An example could be in Framingham where a structure was built for Starbucks.

Comment (KS): The language may need to be more specific to ensure consistency 15 years from now.

Response (AP): We could get some example amendments.

Response (SS): Yes, and the redevelopment period is limited to five years. Every lease has standard amendment language. It would not be that rent will not be paid or that the redevelopment plans will not be completed.

Response (KS): That could happen 15 years from now.

Response (SS): It could not. The redevelopment work must be completed within five years. For example, in 15 years the Concessionaire may want to tear down the Starbucks structure. I do not anticipate MassDOT being put in a difficult position.

Comment (JE): Amendments could be initiated by MassDOT.

Response (SS): An amendment could be to build solar panels.

Question (JE): Is solar part of the initial response? Are they encouraged to include solar?

Response (AP): It is an allowable use. Buildings must be built to code which requires the ability to add solar.

Question (JD): Things could really change. What if there is no longer a need to stop along the Mass Pike and gas is not needed? What happens if there is bankruptcy? What financial remedies does MassDOT have?

Response (AP): There are different security layers throughout the process to address situations as they arise. Even with autonomous vehicles, people still use the restroom and get hungry. Service Plazas offer services beyond fuel. Travel may change, but roadside stops have been around since roads were invented.

Question (JD): Why a 35-year lease term? Is it possible people may not bid because of the duration?

Response (AP): Questions about the length of the lease and terms arose in the last procurement. MassDOT wanted to ensure 30 years of operation on the site knowing the first five years would be redevelopment work. Analysis showed that 30 years allowed for recovery and benefit through down cycles. It is a large investment up front that needs time to allow for benefits.

Comment (KS): It is effectively a 45-year lease.

Comment (KS): It is difficult to determine what ten years will look like from now.

Comment (JP): There is more computer ability on a phone than when humans went to the moon.

Comment (SS): It was heard from some members of the industry that a longer lease term is desirable. The ten-year renewal is at MassDOT's election.

Comment (EG): If there is a negative impact on the Concessionaire, there are pivot points and the market continues.

Comment (KS): Congress allowed P3 because of the gas tax which was the foundation of federal transportation funding. The gas tax is no longer reliable and remedies like TIFIA Loans and P3 were created.

Response (SS): Like Eric Goodwin said, the Lease gives MassDOT a lot of protections and pivot points.

Highlighted Differences from Prior Procurement

There will be multiple leases from the multiple RFPs. The lease is completely different from the prior procurement. The design criteria and

environmental protocol are written out in full appendices. The development schedule, plans, and rent are binding.

Discussion

Question (KS): Is the 30 days to notify the Commission?

Response (AP): Yes, the Attorney General Office's review and the Office of the Inspector General's review go to the Commission. As Joe mentioned, that is prior to the vote.

Question (KS): Can the Commission offer amendments?

Response (OK): It is up to the Commission.

Question (KS): The review will take suggestions into consideration?

Response (AP): I expect there will be comments that MassDOT must react to with changes or justifications.

Question (JE): The result may be an updated version of the RFP?

Response (AP): Yes.

Response (FW): Per the Statute, the P3 Commission can make recommendations. If MassDOT elects not to take the recommendations, then they must explain the divergence.

Response (SS): The Checklists have been meticulously covered because the Statute specified that those criteria must be addressed in the RFP and the Commission is charged with ensuring that.

Comment (KS): I appreciate all the work that has been done to summarize this. It has made our job much more effective.

MEETING CADENCE AND NEXT STEPS

Jonathan Gulliver, *MassDOT Undersecretary of Transportation,* had no further comments.

Sullivan acknowledged the diversity of experience among the Commission. He suggested that more time is needed and requested information on how to establish that. Kane responded that language can be drafted within the meeting.

Payne moved to let Chair Sullivan make the determination in communication with MassDOT to request more time. Sullivan motioned to approve the request which was seconded and unanimously approved by the Commission.

Sullivan recommended each Commissioner read the documents with respect to their unique experience. He also recommended the Commissioners take time to visit some of the Service Plazas and suggested possibly coordinating a site visit in September. Paul acknowledged that he was happy to answer questions and review the plans on site. Sullivan recommended inviting the local public.

September 23, 2026, is to be confirmed as the due date for response from the OIG and AG offices.

Discussion

Question (JE): In Section 73 of the Statute, it addresses the obligations of the Commission. The Commission needs to begin to determine how we want to think about the ten items. Some are difficult to understand.

Response (AP): Public Meetings can be virtual during the interim.

Response (MH): MassDOT is prepared to help you.

Question (KS): Can we email someone?

Response (OK): You can email any of us individually.

Question (KS): Would you like me to pose the questions and get the answers? How should we do this?

Response (OK): Each one of you can contact us. Do not cc anyone.

Comment (JE): These presentations have been helpful. We need to have discussions on the ten items with MassDOT support.

Response (AP): We anticipate resolving comments and after 30 days will assist with writing the report.

Comment (KS): We should have a meeting in September.

Comment (JE): I anticipate conversations on the ten items impacting the report as well.

MEETING CADENCE

Sullivan made a motion to adjourn.

On a motion duly made and seconded by Commissioner Bonfiglio, all were in favor, and the meeting was adjourned.