



Award of Design-Build Contract for the Interstate 405 Improvement Project



Background

- Orange County Transportation Authority (OCTA) is using a two-step procurement process resulting in a best-value selection of a design-build (DB) team pursuant to Assembly Bill (AB) 401 (Chapter 586, Statutes of 2013)
- AB 401 describes the DB procurement process in detail
- DB provides a number of benefits, including expediting completion of construction, integrating the design and construction teams, allocating additional risk to the contractors, and minimizing disputes and change orders
- A best-value selection is an award to the proposer whose proposal is determined by OCTA to offer the best value to the public in terms of price and objective technical criteria

Step 1 – Request for Qualifications (RFQ)

- The first step consisted of issuing the RFQ, requesting statements of qualifications (SOQs), and the development of a short-list of qualified DB teams
- On April 27, 2015, the OCTA Board of Directors (Board) approved the release of the revised RFQ
- A compliance review of the four SOQs received was conducted using pass/fail criteria in the following areas:
 - Financial capacity
 - Legal structure
 - Safety program
- After thorough vetting, the compliance committee found the SOQs from the four DB teams to be compliant with the requirements in the RFQ

Step 1 – Request for Qualifications (RFQ) (cont.)

- A technical review of the SOQs was conducted using the scored categories described in the RFQ, and listed below:
 - Firm experience
 - Past performance
 - Proposer organization and key personnel
 - Project understanding and approach
 - Quality management program
- On November 9, 2015, the OCTA Board found the DB teams well-qualified to carry out the requirements of the project and approved the qualified DB teams to be short-listed

Step 2 – Request for Proposals (RFP)

- On March 28, 2016, the OCTA Board approved the release of the RFP to the three qualified DB teams that had been short-listed, and also approved the evaluation criteria, weightings, and best-value selection process for the RFP
- A compliance review confirmed that the technical, financial, and price proposals received from the three qualified DB teams met the requirements of the RFP
- An evaluation committee conducted a technical review of the technical proposals in the areas of technical approach, project delivery approach, and quality management plan
- The Board-approved best-value determination was based on a 100-point scale, with the price component representing up to 70 points and the technical component representing up to 30 points

Price Score

Proposer	Proposer's Price	Computed Price Score	Amount Over Engineer's Estimate	Percent Over Engineer's Estimate
OC 405 Partners	\$1,217,065,000	70.00	\$31,065,000	2.6%
Skanska/Flatiron	\$1,489,700,000	57.19	\$303,700,000	25.6%
Shimmick/Tutor-Perini/Michels	\$1,553,792,200	54.83	\$367,792,200	31.0%
Engineer's Estimate = \$1,186,000,000				

Notes:

- Computed Price Score = $(\text{Price}_{\text{Low}} / \text{Proposer's Price}) * 70$
- Maximum Computed Price Score is 70

Technical Score

Proposer	Proposer's Technical Proposal Score	Computed Technical Score
OC 405 Partners	71.41	23.44
Skanska/Flatiron	91.40	30.00
Shimmick/Tutor-Perini/Michels	74.97	24.61

Notes:

- A proposer's technical proposal score between 60-80 signifies that the technical proposal met the requirements of the RFP
- A proposer's technical proposal score between 80-100 signifies that the technical proposal exceeded the requirements of the RFP
- Computed Technical Score = $(\text{Proposer's Technical Proposal Score} / \text{Technical}_{\text{High}}) * 30$
- Maximum Computed Technical Score is 30

Total Proposal Score (Best-Value Determination)

Proposer	Computed Price Score	Computed Technical Score	Total Proposal Score	Rank
OC 405 Partners	70.00	23.44	93.44	1
Skanska/Flatiron	57.19	30.00	87.19	2
Shimmick/Tutor-Perini/Michels	54.83	24.61	79.44	3

Project Cost Estimate

Description	Previous Project Cost Estimate	Current Project Cost Estimate
DB Costs	\$1,186,000,000	\$1,217,065,000
Contingency for DB Costs	\$130,000,000	\$98,935,000
Subtotal DB Costs	\$1,316,000,000	\$1,316,000,000
OCTA Costs*	\$484,000,000	\$484,000,000
Contingency for OCTA Costs	\$100,000,000	\$100,000,000
Subtotal OCTA Costs	\$584,000,000	\$584,000,000
Total Project Costs	\$1,900,000,000	\$1,900,000,000

* OCTA Costs include right-of-way acquisition, utility relocations, support, and other costs

Next Steps

Activity/Milestone	Completion Date
DB Procurement and Implementation	
Board considers approval of staff-recommended DB team for selection	November 14, 2016
Notice to Proceed No. 1 issued to DB team	January 2017
Notice to Proceed No. 2 issued to DB team	May 2017
Design and construction	2017-2022
405 Express Lanes open	January 2023
Toll Operating Agreement	
Board considers approval of the toll operating agreement	November 14, 2016
Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan	
Build America Bureau (Bureau) Credit Programs Office staff submits initial Project Report (PR) to United States Department of Transportation (USDOT) Credit Council	November 2016
OCTA submits a formal TIFIA loan application	December 2016
Bureau staff submits final PR to the USDOT Credit Council	January 2017
USDOT Credit Council recommends TIFIA loan to the Secretary of Transportation	January 2017
The Secretary of Transportation approves the TIFIA loan	January 2017
TIFIA loan closes	March 2017

Recommendations

- Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-3843, between the Orange County Transportation Authority and OC 405 Partners, a joint venture, a responsive and responsible proposer, in the amount of \$1,217,065,000, for the design and construction of the Interstate 405 Improvement Project through a design-build contract.
- Authorize the Chief Executive Officer to execute a stipend agreement with Shimmick/Tutor-Perini/Michels, a joint venture, and Skanska/Flatiron, a joint venture, the unsuccessful proposers, upon meeting the requirements specified in the request for proposals.
- Approve an amendment to the Orange County Transportation Authority's Fiscal Year 2016-17 Revenue and Expenditure Budget, in the amount of \$1,147,065,000, to accommodate for the design-build costs associated with the Interstate 405 Improvement Project.
- Adopt this staff report as the written decision supporting the award of the design-build contract, pursuant to such requirement by Assembly Bill 401 (Chapter 586, Statutes of 2013).