



ORANGE COUNTY TRANSPORTATION AUTHORITY


**Approval of Short-listed Design-Build Teams for the
Interstate 405 Improvement Project**

Staff Report



November 2, 2015

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer 

Subject: Approval of Short-Listed Design-Build Teams for the Interstate 405 Improvement Project

Overview

On April 27, 2015, the Orange County Transportation Authority Board of Directors directed staff to release the revised request for qualifications for the design and construction of the Interstate 405 Improvement Project. On August 12, 2015, four design-build teams submitted statements of qualifications. Based on the review and scoring of the statements of qualifications, staff requests Board of Directors' approval of the design-build team short-list.

Recommendations

- A. Approve the short-listing of the four design-build teams: OC 405 Partners, Orange County Corridor Constructors, Shimmick/Tutor-Perini, and Skanska-Flatiron for the design and construction of the Interstate 405 Improvement Project.
- B. Approve the release of the draft request for proposals for the design and construction of the Interstate 405 Improvement Project to the four short-listed teams.

Discussion

On April 27, 2015, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to release the revised Request for Qualifications (RFQ) 4-1595 for the design and construction of the Interstate 405 (I-405) Improvement Project (Project). The RFQ was revised to reflect the Board's decision to implement the full Project, which entails adding one general purpose lane in each direction from Euclid Street to Interstate 605 (I-605), consistent with Measure M2 Project K, and adding an additional lane in each direction that would combine with the existing

high-occupancy vehicle lane to provide dual express lanes in each direction on I-405 from State Route 73 to I-605.

As noted at the October 27, 2014 Board meeting, the procurement plan for the Project was based upon a two-step procurement process resulting in a “best value” selection authorized by AB 401 (Chapter 586, Statutes of 2013). AB 401 codified design-build (DB) delivery method in Section 6820 through Section 6829 of the California Public Contract Code and Section 91.2 of the Streets and Highways Code that became effective January 1, 2014, and remains effective until January 1, 2024. The procurement plan for the Project strictly follows the requirements of AB 401.

OCTA staff, general counsel, and OCTA’s program management consultant reviewed these legal statutes and the advantages and disadvantages of the methods by which OCTA can award a DB contract. The team concluded that the two-step procurement process utilizing “best value” selection and contract award, as allowed by the Federal Highway Administration (FHWA) and described in detail in AB 401, is the overall best method for the procurement and award of the DB contract. This is similar to the DB procurement method OCTA employed on the State Route 22 (SR-22) widening project, and with the method recently used by the Riverside County Transportation Commission to widen State Route 91.

Procurement Approach

The selection of a DB team to design and construct the Project will be accomplished through a two-step procurement process. The first step, the RFQ, is used to develop a short-list of the responsive teams. The second step, the request for proposals (RFP), is issued to the short-listed teams to submit proposals for OCTA’s evaluation and selection of a “best value” DB team for the Project. Due to the nature and magnitude of the Project, the teaming relationships are joint ventures as opposed to prime-subcontractor relationships. Following is a detailed discussion of the two steps.

Step 1 – RFQ

The first step consisted of issuance of the RFQ, receipt by OCTA of statements of qualifications (SOQ), and the development of a short-list in accordance with AB 401 requirements and OCTA’s policies and procedures. Approval of the recommended short-listed DB teams included in this staff report will conclude the first step of the two-step best value award process. The SOQ scoring will not be carried over into the technical proposal evaluation process or any future stage of the procurement process.

The Project was first advertised via a Letter of Interest (LOI) in advance of the release of the RFQ. The LOI, which was published beginning September 30, 2014, in newspapers and industry and community publications of general circulation, was used to ascertain the level of interest among the DB industry firms, and the availability of firms to work on the Project. The response to the LOI was positive, as 36 LOIs were received from various firms indicating interest and availability to perform the work.

On October 27, 2014, the Board authorized the release of RFQ 4-1595, which was advertised on CAMM NET and in newspapers and industry publications of general circulation. A pre-proposal conference was held on November 4, 2014, with 71 attendees representing 56 firms, 15 of which were prime firms. Five addenda were issued to make available the pre-proposal conference registration sheets, provide responses to questions received, and handle administrative issues related to the RFQ. On December 18, 2014, SOQ were received from four interested joint venture teams. The evaluation of the initial SOQ was delayed pending the execution of the DB cooperative agreement with the California Department of Transportation (Caltrans) for the Project.

Subsequent to Board direction on April 27, 2015, a revised RFQ was released on May 28, 2015, via Addendum No. 6 to the original RFQ, incorporating a revised scope of work addressing the requirements of the full Project preferred alternative. The revised RFQ was advertised in a manner similar to the original RFQ. The revised RFQ allowed the teams who submitted SOQ in December 2014 to supplement original submittals with any additional information deemed necessary to address the revised scope of work. Additionally, new DB teams were invited to submit SOQ based on the revised scope of work.

A pre-proposal conference was held for revised RFQ 4-1595 on June 10, 2015, with 59 attendees representing 42 firms, 11 of which identified themselves as prime firms. Addenda 7, 8, and 9 were issued to make available the pre-proposal conference registration sheets, provide responses to questions received, and handle administrative issues related to the RFQ. Addendum No. 10 extended the due date of the SOQ from July 22, 2015 to August 12, 2015.

On August 12, 2015, two SOQ supplements and two new SOQ were received, for a total of four SOQ. The process of evaluating the four SOQ was done in two parts, a compliance review and technical evaluation, as follows:

1. Compliance review of the SOQ was conducted using pass/fail criteria in the areas of financial capacity, legal structure, and safety program described in the RFQ. The submittals were reviewed by a team of legal, procurement, engineering, and safety professionals. All four submittals were found responsive to the requirements of the RFQ in this area and

“passed”. The four submittals were then advanced to the technical evaluation part of the evaluation process.

2. Technical evaluation of the SOQ that passed the compliance review was conducted using the technical scored categories and weights described in the RFQ, and listed below:

Firm Experience	15 percent
Past Performance	10 percent
Proposer Organization and Key Personnel	40 percent
Project Understanding and Approach	15 percent
Quality Management Program	20 percent

All four SOQ were reviewed by an evaluation committee comprised of engineers and procurement professionals from OCTA and other public agencies as follows: OCTA’s Contracts Administration and Materials Management and Highway Programs departments, Caltrans District 12, Riverside County Transportation Commission, and the cities of Fountain Valley and Huntington Beach.

During the evaluation of the SOQ, the submittals were scored in each of the above categories. The four DB teams listed below in alphabetical order submitted SOQ and are recommended to be short-listed for the Project.

OC 405 Partners
Orange County Corridor Constructors
Shimmick/Tutor-Perini
Skanska-Flatiron

While the SOQ evaluation process as described herein is not meant to compare the submittals, it is used as a mechanism to develop a short-list of the responsive teams deemed most qualified per the pass/fail and technical requirements of the RFQ. All short-listed proposers received a total score higher than the minimum 70 points specified in the RFQ to be eligible for the short-list. The make-up of each of the DB teams is contained in Attachment A.

Step 2 – RFP

In the second step of the DB procurement process, each of the short-listed DB teams will receive a copy of the draft RFP, which includes instructions to proposers, contract documents, technical provisions, and reference materials. OCTA will hold one-on-one meetings with each of the short-listed DB teams to solicit comments and feedback on the draft RFP as an industry review. One of the goals of the industry review process is to elicit input from the DB teams during

the draft RFP step regarding project risks and cost drivers. This will allow OCTA to make informed decisions about risk allocation. The input from the DB teams will be considered and incorporated, as appropriate, into the final RFP. OCTA staff will return to the Board for approval to release the final RFP to the short-listed DB teams in April 2016.

Evaluation of Proposals

The proposals submitted in response to the RFP will be evaluated to determine the proposal that offers the best value to OCTA, considering price, technical merit, and other factors. The intent of OCTA in this evaluation process is to create a fair and uniform basis for the evaluation of the proposals.

The proposal evaluation process will include an initial review of each proposal for responsiveness and pass/fail criteria, a responsiveness and qualitative evaluation of the technical proposal, a responsiveness and quantitative evaluation of the financial proposal, and a best-value determination. The evaluation and selection process is subject to modification by OCTA in its sole discretion.

Pass/Fail and Responsiveness Evaluation

The technical and financial proposals will be reviewed to determine conformance to the RFP instructions regarding organization and format, responsiveness to the requirements of the RFP, and the pass/fail criteria set forth in the RFP documents. Proposals found nonresponsive, or that do not pass the pass/fail criteria, may be excluded from further consideration.

Best-Value Determination

The best-value determination will be based upon a formula included in the RFP that includes a component for technical score and a component for price score. The two separate evaluations that will be performed include an evaluation of the technical proposal and an evaluation of the financial proposal. The technical proposal will be evaluated to determine that the requirements of the RFP have been met and scored based on the technical approach, project delivery approach, and quality management plan. Evaluation of the technical proposals will be completed before the selection committee reviews the financial proposals. The financial proposal will be evaluated to determine that the requirements of the RFP have been met and to obtain the price for each responsive proposal.

After technical and financial proposal scores are determined, the total proposal score is calculated using the formula included in the RFP to arrive at the total score for each proposal. The DB team with the highest total score will be recommended to the Board as the apparent best-value proposer.

Stipends

As noted in the June 22, 2015 DB Procurement Board Workshop, OCTA plans to award stipends to each responsive DB team not chosen as the successful proposer. Stipends have traditionally been awarded on all DB projects in California, including the SR-22 widening project. The industry standard for stipend amounts ranges from 0.05 percent to 0.15 percent of construction costs based on the needs and complexities of the project.

Some of the benefits of providing stipends are as follows:

- Allow OCTA to utilize ideas, concepts, and innovations from proposals not selected for award of the DB contract
- Encourage DB teams to spend the time, money, and resources to propose innovative and comprehensive methods/solutions
- Help defray costly proposal development
- Generate significant interest in the Project to enhance competitive pricing for best value
- Signals OCTA's intention to carry the Project forward

Staff is recommending that a total of \$3 million be allocated for stipends, which is divided into a stipend of \$1 million (0.08 percent of Project construction costs) for each unsuccessful proposer if all four short-listed DB teams submit a responsive proposal. If one or more DB teams pull out of the selection process or do not submit a responsive proposal, staff recommends that the maximum amount payable to any one unsuccessful proposer be \$1.5 million (0.13 percent of Project construction costs). This incentivizes the remaining DB teams to remain in the selection process, prepare quality proposals, and maintain highly competitive pricing. During the SR-22 widening DB procurement, the Board increased the stipend amount after one of the four DB teams dropped out of the selection process to ensure completion moving forward through the procurement.

Procurement Timeline and Next Steps

A procurement plan and schedule have been developed for the selection and award of the DB contract using a best value process which meets the requirements of AB 401. The Board will be updated periodically and provided further detail of each phase of the procurement process and schedule. This will give the Board the opportunity to review and approve the release of the final RFP, evaluation methods, and any necessary schedule revisions. The DB procurement timeline is included as Attachment B.

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The following are the next steps in the DB procurement process:

Activity/Milestone	Proposed Completion Date
Draft RFP distributed to short-listed teams for review	November 9, 2015
Industry review meetings conducted with short-listed teams	December 10, 2015
Review and approval of final RFP by Caltrans and FHWA	February 24, 2016
Board approval to release final RFP	April 11, 2016
Proposals due date	September 2016
Board approval of selection of DB team	December 2016
Notice-to-Proceed issued to successful DB team	February 2017

Procurement Summary

Based on the evaluation of the SOQ, all four teams were found responsive to the RFQ requirements and successful in the technical evaluation. The evaluation committee recommends to short-list all four DB teams. The four DB teams will receive a copy of the draft RFP and participate in the industry review process. These teams will have the opportunity to submit proposals for the design and construction of the I-405 Project in response to the final RFP.

Fiscal Impact

There is no fiscal impact at this step of the procurement process as it is a mechanism to develop a short-list from the proposing DB teams.

Summary

Staff requests Board of Directors' approval of all short-listed design-build teams based on the evaluation and scoring of the teams' statements of qualifications. The four teams are: OC 405 Partners, Orange County Corridor Constructors, Shimmick/Tutor-Perini, and Skanska-Flatiron. Staff also requests Board of Directors' approval to release the draft request for proposals to the same short-listed teams. All four teams will be invited to participate in the industry review process and submit proposals in response to the final request for proposals for the Interstate 405 Improvement Project.

Attachments

- A. List of Design-Build Teams
- B. Interstate 405 Improvement Project Design-Build Procurement Timeline

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Attachment A

List of Design-Build Teams

Following are the four design-build teams, and their team members, which submitted supplements/new statements of qualifications on August 12, 2015:

OC 405 Partners, a Joint Venture

Principal Participants

OHL USA, Inc.
Astaldi Construction Corporation

Major Participants

Myers & Sons Construction, LP
All American Asphalt
Pacific Infrastructure 405 Designers, a Joint Venture comprised of the following firms:

- Moffatt & Nichol
- H.W. Lochner, Inc.
- MMM Group Limited
- Arup North America, Ltd.

Key Subcontractors and Subconsultants

MCM Construction, Inc.
Circlepoint
ICF International
D'Leon Consulting Engineers
Betkon, Inc.
NCM Engineering Corporation
Iteris, Inc.
Fugro Consultants, Inc.

Orange County Corridor Constructors, a Joint Venture

Principal Participants

Fluor Enterprises, Inc.
Granite Construction Company
Ames Construction, Inc.

Major Participants

HDR Engineering Inc., Lead Designer
RBF Consulting, a Company of Michael Baker International
Arellano & Associates, Inc.
Earth Mechanics, Inc.
Fehr & Peers Transportation Consultants

Guida Surveying, Inc.
Leighton Consulting, Inc.
Raba Kistner Infrastructure, Inc.
Safe Utility Exposure, Inc.
Steve P. Rados, Inc.
Transtec Group
WKE, Inc.

Shimmick/Tutor-Perini, a Joint Venture

Principal Participants

Shimmick Construction Company, Inc.
Tutor-Perini Corporation

Major Participants

Parsons Brinckerhoff
Barrios & Associates, LLC dba Communications LAB

Skanska-Flatiron, a Joint Venture

Principal Participants

Skanska USA Civil West California District, Inc.
Flatiron West, Inc.

Major Participants

CH2M Hill, Inc.
AECOM Technical Services
Biggs Cardosa Associates, Inc.
IDC Consulting Engineers, Inc.
Gallego Consulting Services
Irvine Global
Katz & Associates
LaBelle Marvin, Inc.
Ninyo & Moore Geotechnical and Science Services
V&A, Inc.
TRC Solutions, Inc. (Subsidiary of TRC Companies)
FPL and Associates, Inc.
Civil Works Engineers, Inc.
BKF Engineers
Diaz Yourman & Associates
Tatsumi and Partners, Inc.

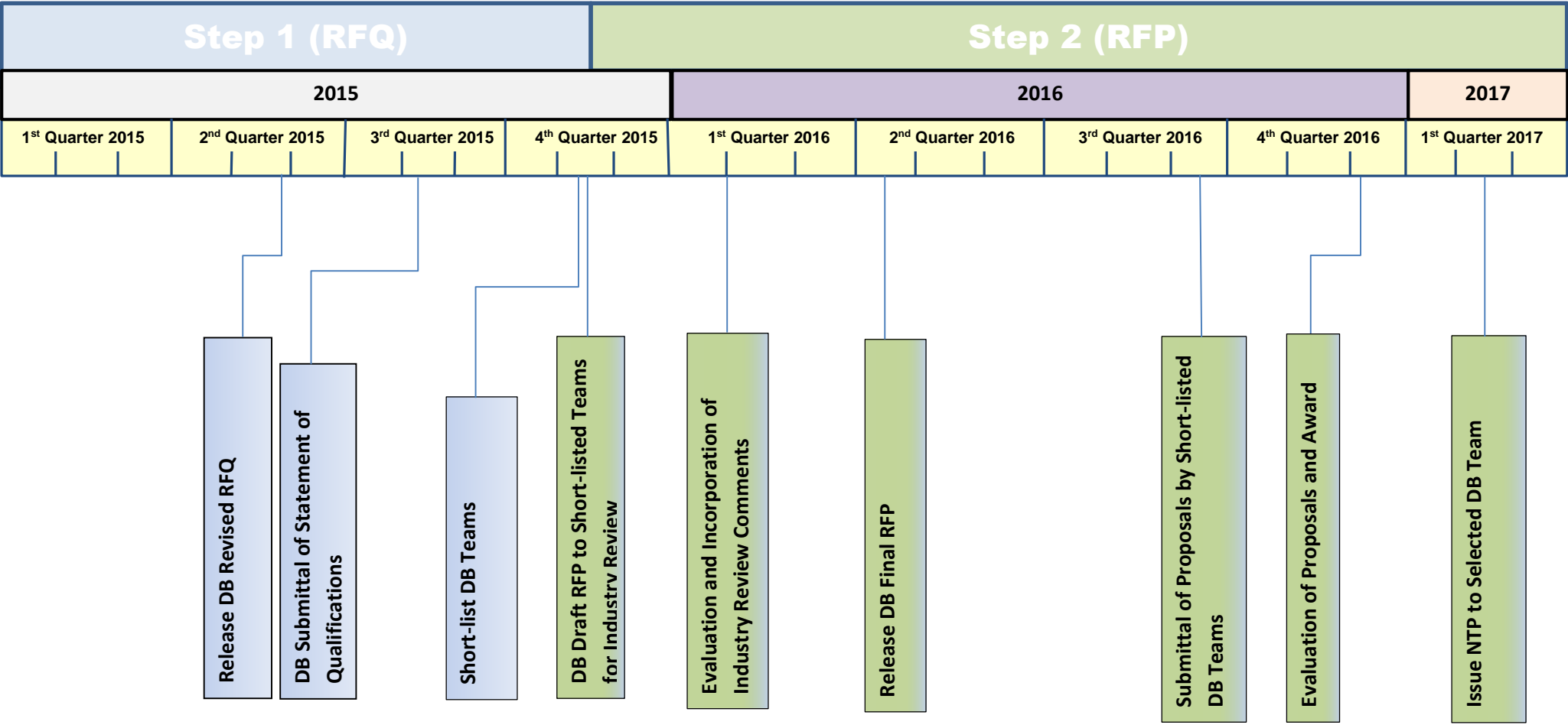


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Attachment B

Interstate 405 Improvement Project Design-Build Procurement Timeline November 2, 2015



DB = Design-Build
 RFQ = Request for Qualifications
 RFP = Request for Proposals
 NTP = Notice to Proceed