



**Expo**

Exposition Metro Line  
Construction Authority

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**6.a**

**DATE: MARCH 4, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: RICHARD D. THORPE  
CHIEF EXECUTIVE OFFICER**

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND  
EXECUTE PHASE 2 PRELIMINARY ENGINEERING CONTRACTS**

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**RECOMMENDATION**

1. Authorize the Chief Executive Officer (CEO) to complete final negotiations for Preliminary Engineering Service Contracts with URS/Shimmick, in an amount not-to-exceed \$5,300,000, and Skanska/Rados, in an amount not-to-exceed \$5,300,000, upon terms that the CEO determines to be in the best interest of the Exposition Metro Line Construction Authority (Authority);
2. Authorize the CEO, should it be determined that the Authority will not be able to reach agreement with one of the two top ranked firms, to complete final negotiations for Preliminary Engineering Service Contracts with California Light Rail Constructors, in an amount not-to-exceed \$5,300,000, upon terms that the CEO determines to be in the best interest of the Authority; and
3. Should the CEO be unable to negotiate satisfactory contracts with none of the three highest ranked firms, then all negotiations shall be formally terminated and the CEO will return to the Board with proposed procurement alternatives.

**SUMMARY**

The Authority has completed the initial steps of the contractor selection process in accordance with the process contained in the Request for Proposal (RFP). The initial selection process has identified the two top ranked Proposer's that presented the best statements of qualifications and experience. The next step is to complete the final negotiations with the two top ranked firms. Upon completion of successful negotiations, the CEO will execute both contracts.

## **DISCUSSION**

The Authority prepared a confidential Proposal Evaluation Procedure for this procurement process designed to determine which Proposer presented the best qualifications and experience to the Authority in accordance with the RFP. It was carefully structured to eliminate from the selection process any external influence and/or undue bias on the part of any individual for or against any team or team member. This was done to ensure that the Authority would receive a fair and unbiased evaluation of the proposals.

The confidential Proposal Evaluation Procedure document was prepared in advance and laid out each step of the process in detail, and was only provided to the members of the evaluation team after they had signed their confidentiality/non-conflict verification forms. The evaluation process incorporated strict confidentiality and security measures that included use of a locked room dedicated to the review of the proposals, and locked files to protect the confidentiality of the proposal documents throughout the process.

The RFP for the contract described the Authority's contractor selection process as a "Highest Ranked" determination – one wherein the Authority determines which Proposer presented the best statement of qualification and experience on a non-price basis. The RFP also provided that the Authority could exercise discretion in conducting interviews with Proposers. It chose to conduct interviews with all of the Proposers.

### **Evaluation of Written Proposal**

The RFP required that the proposals be presented in three parts, Executive Summary, Package A – Background, Forms and Certifications and Package B – Qualifications/ Technical Proposal. The Executive Summary was not evaluated nor scored. The basic approach in evaluating the proposals was as follows:

1. Open the separately sealed Package A proposal envelopes and verify if they were compliant with and responsive to the RFP requirements;
2. For those Package A proposals determined compliant and responsive, then open the respective sealed Package B proposal envelopes and verify if they were compliant with and responsive to the RFP requirements;
3. Conduct an objective review and technical evaluation of the Package B proposals scoring each Tab in a predetermined format; and
4. Collect scorings from the Evaluation Committees, validate process, collate the scores and normalize scores to determine each Proposer's total score, weighted as described in the RFP.

Tab – 1	Qualifications and Experience	20%
Tab – 2	Organization, Staffing and Credentials	20%

Tab – 3	Project Management	15%
Tab – 4	Discretionary Scope of Work	10%
Tab – 5	Construction Plan and Approach to the Work	15%
Tab – 6	Safety Plans and Safety Record	5%
Tab – 7	Contract Planning Selection of Subs	5%
Tab – 8	Community Outreach	5%
Tab – 9	Other Required Plans and Programs	5%

The RFP did not define specific values to the scoring for ranking of Proposals. This was developed prior to the submission of Proposals and was based on a total of 100 points for the written proposal. The RFP clearly defined nine (9) unequally weighted criteria under separate Tabs:

Initial Compliance Review. Per the RFP, the first step of the process was to complete the compliance and responsiveness reviews in conformance with the RFP requirements. The review was completed by a special subcommittee appointed by the Authority CEO, which included the Evaluation Director, the Authority’s outside legal consultant and members of Metro’s Management Audit Department. In this review, certain minor technical deficiencies or omissions were found in four of the five proposals. In addition, certain exceptions to the contract terms and/or contract documents, including the RFP, were taken by various teams, but none were identified as “deal breakers”.

The RFP enabled the Authority to waive “minor informalities or irregularities”, and to request Proposers to clarify certain aspects of their proposals. The Compliance Committee determined that it would be prudent to request the Proposers to correct the various minor deficiencies. Letters were sent to the four Proposers on January 6<sup>th</sup>, requesting the necessary clarifications. All four responded with the requested information within the time frame requested.

Technical Evaluation. There were three separate, independent evaluation committees established to review the technical portion of the proposals. The proposals were separated by Tabs into three predetermined groups and distributed to the assigned evaluation committees. The groupings were such that each committee had an equal weight in the technical scoring and that the Tabs subjects were reflective of the technical expertise of the respective committee members. There was no overlap between committees; none of individual evaluation committee members had knowledge of any other committee members; no committee had knowledge of what any other committee was evaluating, nor did any committee have visibility of the scores within any other evaluation criterion. Each technical evaluation Committee Chairperson was solely responsible for compiling the scores from the individual members of its Committee and forwarding them to the overall Evaluation Director, who reports to the Authority CEO

and like the CEO, was a non-voting member. The Evaluation Director could not alter in any way the summary sheets submitted by the Committee Chairpersons. Each of the three subcommittees had at least three members.

The scoring members of the Evaluation Committees consisted of individuals who have the requisite expertise necessary to evaluate those components (Tabs) of the proposal assigned to their committee. The committee members were comprised of technical staff representatives from the cities along the corridor (Los Angeles, Culver City and Santa Monica); highly experienced selected individuals from other U.S. public transit authorities with current and/or recent relevant design/build contracting experience building light rail or similar transit systems, including San Diego, Seattle, and Denver; and selected technical specialist representatives from Metro.

All participants in the process, including each member of the Committees, were required to sign a disclosure form wherein they confirmed their independence and objectivity, agreed to treat all information as being strictly confidential, and confirmed that they did not have any conflicts of interest with respect to any of the proposing teams.

Evaluation Results. The evaluation results were in the simplest of terms, all five Proposer's scores were well within the range of acceptability and none of the three Committees found any serious issues that would have necessitated any major correction or change in the proposal in order to be able to meet the requirements of the project.

Evaluation Scores. Each Committee was given score sheets reflecting predetermined specific questions for each Tab and pertaining to information required by the RFP from the Proposer for each Tab. The quantity of questions within each Tab varied as the extent of information requested by the RFP varied. Each question was scored in the range from zero to twenty and the total score for each Tab varied. An excerpt of the Scoring Instructions from the Evaluation Procedure is in Table 1 below.

The scoring methodology required each individual Committee member to work independently to score those Tabs assigned to their Committee. Once completed, they were to send their raw score sheets to their Committee Chairperson and the Evaluation Director. Subsequent to that, each Committee was required to conduct a review, either in person or telephonically, to review the scoring process. At that time, scores could be revised due to new information brought to light by the discussions. Substantiation of any change was required. All raw scores were then forwarded to the Evaluation Director, who in turn normalized the raw scores to the weighted value of each Tab.

It also should be noted that the three Committee Chairpersons were scoring members of their Committee and did not perform any normalization of the scores. Their duty was to ensure schedule conformance and scoring process. The Evaluation Director normalized all Committee scoring.

## Interviews

The Authority's Proposal Evaluation Procedure established a precise format for conducting and scoring the interviews. Each interview was conducted in the same manner and strictly in accordance with the procedure. The procedure allowed for an opening statement by the Proposer; a questioning session with only the proposed Project Manager present; a questioning session with the proposed Project Manager and the Key Personnel; and finally a closing statement by the Project Manager. There were the same predetermined questions imposed upon each Proposer's Project Manager as well as the Key Personnel. There were also Proposer specific questions of a similar nature and quantity imposed upon each team to clarify that reflected within their respective proposals.

The RFP did not define specific values to the scoring or ranking nor the weighting of the interview process. This was also developed in the internal Proposal Evaluation Procedure. The weight of the interview was determined to be 20 points which were to be added to the written evaluation scores. The interview evaluation was conducted by the Evaluation Director with various Authority staff and consultants present. The scoring was completed by two of the Evaluation Committee Chairpersons and one other Committee member, to have representation from all three Proposal Evaluation Committees. The response to each question was scored on a range from zero to twenty. An excerpt of the Scoring Instructions from the Evaluation Procedure is in Table 1 below. Subsequent to the interviews, all raw scores were turned over to the Evaluation Director, who in turn normalized the raw scores to the weighting for the interview.

### **Table 1 - Scoring Instructions Provided to the Evaluators [Excerpt from Procedure]**

Each of the nine technical evaluation criteria and the interview questions were scored according to the following guidelines. Evaluators first determined within which of the following ranges (i.e., Exceptional, Good, Acceptable, Unacceptable, No Information Provided) a proposal should be scored for each sub-criterion, and then shall strive to use the entire five-point spread within each range to discriminate among the proposals.

**EXCEPTIONAL (15 to 20)** – The Proposer has demonstrated an approach that is considered to significantly exceed stated requirements/objectives in a way beneficial to the Authority and indicates a consistently outstanding level of quality. The Proposal demonstrates an excellent likelihood of success and very little or no risk that this Proposer would fail to meet the requirements of the Project. There are essentially no weaknesses.

**GOOD (10 to 15)** – The Proposer has demonstrated an approach that is considered to exceed stated requirements/objectives and indicates a generally better than acceptable quality. The Proposal demonstrates a good likelihood of

success and little risk that this Proposer would fail to meet the requirements of the Project. Weaknesses, if any, are very minor.

**ACCEPTABLE (5 to 10)** – The Proposer has demonstrated an approach that is considered to meet the stated requirements/objectives and indicates an acceptable level of quality. The Proposal demonstrates a reasonable probability of success, with moderate risk that this Proposer would fail to meet the requirements of the Project. Weaknesses are not irrevocable and can be corrected.

**UNACCEPTABLE TO BARELY ACCEPTABLE (1 to 5)** – The Proposer has demonstrated an approach in the particular evaluation criterion being scored that fails to meet stated requirements/objectives. There are substantial weaknesses and/or deficiencies, but they may be susceptible to correction through discussion. The submission is considered marginal in terms of the basic content and/or amount of information provided for evaluation, but overall, the Proposer could still appear capable of providing an acceptable or better Proposal. As currently configured, the Proposal demonstrates a lesser probability of success, with unacceptable risk that this Proposer would fail to meet the requirements of the Project. However, this in and of itself does not mean that the entire Proposal should necessarily be deemed unacceptable, just the criterion being evaluated.

**NO INFORMATION PROVIDED (0 points)** – The Proposer did not provide the required information.

**Evaluation Results**

Table 2 reflects the rankings for the technical evaluation, the interview evaluation, and the final overall ranking which represents the sum of the weighted technical and interview scores.

**Table 2 – Rankings**

<b>RANKING</b>	<b>TECHNICAL PROPOSAL</b>	<b>INTERVIEW</b>	<b>FINAL OVERALL</b>
1	URS/Shimmick	URS/Shimmick	URS/Shimmick
2	Skanska/Rados	Skanska/Rados	Skanska/Rados
3	California Light Rail Constructors	California Light Rail Constructors	California Light Rail Constructors
4	Balfour Beatty/Ames	Tutor-Perini/Comstock	Tutor-Perini/Comstock
5	Tutor-Perini/Comstock	Balfour Beatty/Ames	Balfour Beatty/Ames

**FINANCIAL IMPACT**

The final negotiations for these two Preliminary Engineering Service Contracts revolve around commercial terms of the Stage A Agreement and the Stage A Discretionary Scope as specified within the RFP. Both contracts will have a lump sum fixed price in

an amount not-to-exceed \$5,300,000 each, and both amounts shall be within the overall Phase 2 Project Budget.

**NEXT STEPS**

Subject to Board approval of the recommended action contained in this report, the CEO will lead the final negotiations with the two highest ranked Proposers, the URS and Shimmick, Joint Venture, and the Skanska and Rados, Joint Venture. Upon completion of successful negotiations, contract award will be made to these firms.

**ATTACHMENT(S)**

None