



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**Approval to Release Request for Proposals for the Design  
and Construction of the Interstate 405 Improvement  
Project Through a Design-Build Contract**

**Staff Report**



**March 28, 2016**

**To:** Members of the Board of Directors

**From:** Darrell Johnson, Chief Executive Officer

**Subject:** Approval to Release Request for Proposals for the Design and Construction of the Interstate 405 Improvement Project Through a Design-Build Contract

**Overview**

On November 9, 2015, the Orange County Transportation Authority Board of Directors approved the short-listing of four design-build teams and the release of the draft request for proposals to the four short-listed teams for the design and construction of the Interstate 405 Improvement Project from State Route 73 to Interstate 605. Based on industry input and further coordination with stakeholders, staff has finalized the request for proposals and is ready to release it to the short-listed design-build teams.

**Recommendations**

- A. Approve the evaluation criteria, weightings, and best value selection process for Request for Proposals 5-3843 for the design and construction of the Interstate 405 Improvement Project through a design-build contract.
- B. Approve the release of Request for Proposals 5-3843 for the design and construction of the Interstate 405 Improvement Project through a design-build contract.
- C. Adjust authorized stipend amount to \$2,000,000, payable to each unsuccessful design-build team that submitted a qualified proposal in response to Request for Proposals 5-3843 for the design and construction of the Interstate 405 Improvement Project through a design-build contract.

**Discussion**

As noted at the October 27, 2014 Orange County Transportation Authority (OCTA) Board of Directors (Board) meeting, the procurement plan for the Interstate 405 (I-405) Improvement Project from State Route 73 (SR-73)

to Interstate 605 (I-605) (Project) is 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.

On April 27, 2015, the Board directed staff to release the revised Request for Qualifications (RFQ) 4-1595 for the design and construction of the 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 I-605, consistent with Measure M2 (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 SR-73 to I-605.

On November 9, 2015, the Board approved the short-listing of four DB teams and the release of the draft request for proposals (RFP) to the four short-listed teams for the design and construction of the Project. Based on industry input and further coordination with stakeholders, staff has finalized the RFP and is seeking approval to release it to the three remaining short-listed DB teams (Attachment A).

***Procurement Approach***

As noted, 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, was used to develop a short-list of qualified teams. The second step, the RFP, is issued to the short-listed teams to solicit proposals for OCTA’s evaluation and selection of a “best value” DB team for the Project. Due to the nature and

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magnitude of the Project, the teaming relationships are joint ventures as opposed to prime-subcontractor relationships. Following is a more 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, and the development of a short-list in accordance with AB 401 requirements and OCTA's procurement policies and procedures. Board approval of the following short-listed DB teams on November 9, 2015, concluded the first step of the two-step, best value award process:

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

In January 2016, the Orange County Corridor Constructors team informed OCTA of the team's withdrawal from the procurement process. Therefore, the short-list now consists of three DB teams (Attachment B).

#### Step 2 – RFP

To initiate the second step of the DB procurement process, each of the short-listed DB teams received a copy of the draft RFP following Board approval of the short-list in November 2015. The draft RFP included instructions to proposers, contract documents, technical provisions, and reference materials. In December 2015, as part of the industry review process, OCTA held one-on-one meetings with each of the short-listed DB teams to solicit comments and feedback on the draft RFP. In January 2016, each of the short-listed DB teams received a second draft RFP, and in February 2016, OCTA held a second set of one-on-one meetings with each of the remaining teams. One of the goals of the industry review process was to elicit input from the DB teams during the draft RFP step regarding project risks and cost drivers. This allowed OCTA to make informed decisions about risk allocation in the final RFP. The input from the DB teams was considered and incorporated, as appropriate, into the final RFP.

#### Evaluation of Proposals and Best Value Determination

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

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Each technical proposal will be evaluated to determine that the requirements of the RFP have been met and will be scored based on the following proposed criteria and weights:

- Technical Approach 60 percent of technical proposal score
- Project Delivery Approach 30 percent of technical proposal score
- Quality Management Plan 10 percent of technical proposal score

Financial proposals will not be opened until evaluations of the technical proposals are complete. After technical proposals are scored, the OCTA Deputy Chief Executive Officer and the OCTA Director of Contracts Administration and Materials Management will open the financial proposals to obtain the price for each responsive proposer. The price will then be used to arrive at the total proposal score (TPS) for each proposer. The financial proposals will then be evaluated to determine that the requirements of the RFP have been met.

The best value determination will be based on a 100-point scale. The price score (PS) will represent up to 70 points of the total score and the technical score (TS) will represent up to 30 points of the total score. The apparent best value will be represented by the highest TPS, computed using the following formula:

$$\text{TPS (max 100 points)} = \text{PS (max 70 points)} + \text{TS (max 30 points)}$$

Where the PS and TS are computed as follows:

$$\begin{aligned} \text{PS} &= (\text{Price}_{\text{Low}}/\text{Price}) 70, \text{ where} \\ \text{Price}_{\text{Low}} &= \text{lowest proposal price submitted by any proposer} \\ \text{Price} &= \text{proposer's proposal price} \\ \text{TS} &= (\text{Technical}/\text{Technical}_{\text{High}}) 30, \text{ where} \\ \text{Technical} &= \text{proposer's technical proposal score} \\ \text{Technical}_{\text{High}} &= \text{highest technical proposal score submitted by any proposer} \end{aligned}$$

OCTA may, at any time after receipt of proposals and prior to final award and execution of the contract, determine that it is appropriate to request changes to the proposals. If changes or clarifications to the proposals are needed by OCTA, OCTA may request the teams to submit a Best and Final Offer to assist with the final evaluation of the proposals.

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## Stipends

As noted in the June 22, 2015 DB Procurement Board Workshop, and in the November 9, 2015 Board item requesting approval for release of the draft RFP, OCTA plans to pay stipends to each DB team not chosen as the successful proposer. Stipends have traditionally been provided on all DB projects nationwide and in California, including the SR-22 widening project. For projects of this size and complexity, the industry standard for stipend amounts range from 0.10 percent to 0.20 percent of construction costs based on the needs and complexities of the project.

Some of the benefits of this practice are that stipends:

- 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
- Encourage DB teams to remain in the procurement and generate significant interest in the Project to enhance competitive pricing for best value
- Signal OCTA's intention to carry the Project forward

On November 9, 2015, the Board approved the release of the draft RFP for industry review. The draft RFP included a maximum stipend amount of \$1,500,000. After additional consultation with FHWA and the California Department of Transportation and a review of similarly complex DB projects, staff recommends that a stipend amount of \$2,000,000 (0.17 percent of Project construction costs) be payable to each unsuccessful proposer that submits a responsive proposal. This percentage of Project construction costs is in line with the stipend paid on the SR-22 widening project and other similar DB projects in California.

## 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 on each phase of the procurement process and schedule. The DB procurement timeline is included as Attachment C.

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

<b>Activity/Milestone</b>	<b>Proposed Completion Date</b>
Board approval to release final RFP	March 28, 2016
Technical proposals due date	August 31, 2016
Financial proposals due date	September 14, 2016
Board approval of selection of DB team	November 14, 2016
Notice-to-proceed issued to successful DB team	January 31, 2017

**Procurement Summary**

Based on input received from all short-listed teams, the RFP has been finalized and, after Board approval, will be released to the three remaining short-listed teams. These teams will have the opportunity to submit proposals for the design and construction of Project in response to the RFP.

**Fiscal Impact**

The Project is included in OCTA's Fiscal Year 2016-17 Budget, Capital Programs Division, Account 0017-9017-FK101-OGM, and is funded through a combination of federal, state, and local (M2) funds.

**Summary**

Staff requests Board of Directors' approval of the criteria, weightings, best value selection process, stipend amount, and release of Request for Proposals 5-3843 for the design and construction of the Interstate 405 Improvement Project through a design-build contract.

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***Attachments***

- A. Draft Request for Proposals (RFP) 5-3843 for the Design and Construction of the Interstate 405 Improvement Project Through a Design-Build Contract
- B. List of Design-Build Teams
- C. Interstate 405 Improvement Project Design-Build Procurement Timeline

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**Attachment A**

**DRAFT REQUEST FOR PROPOSALS (RFP) 5-3843  
FOR THE DESIGN AND CONSTRUCTION OF THE INTERSTATE 405  
IMPROVEMENT PROJECT THROUGH A DESIGN-BUILD CONTRACT**

**IS AVAILABLE ON THE OCTA WEBSITE AS FOLLOWS:**

[Instructions to Proposers](#)

[Contract Documents](#)

[I-405 Reference Material Index](#)

[00-AGREEMENTS \(A\)](#)

[01-CONCEPTUAL DESIGN \(CD\)](#)

[02-ENVIRONMENTAL DOCS \(ED\)](#)

[03-EXISTING INFORMATION \(EI\)](#)

[04-PRELIMINARY ENGINEERING \(PE\)](#)

[CADD FILES \(C\)](#)

[06-TRAFFIC \(T\)](#)

**AND AVAILABLE UPON REQUEST**

**FROM THE CLERK OF THE BOARD'S OFFICE**



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**Attachment B**

## **List of Design-Build Teams**

### **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 (Joint Venture)

- 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.

### **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 Cardoso 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.

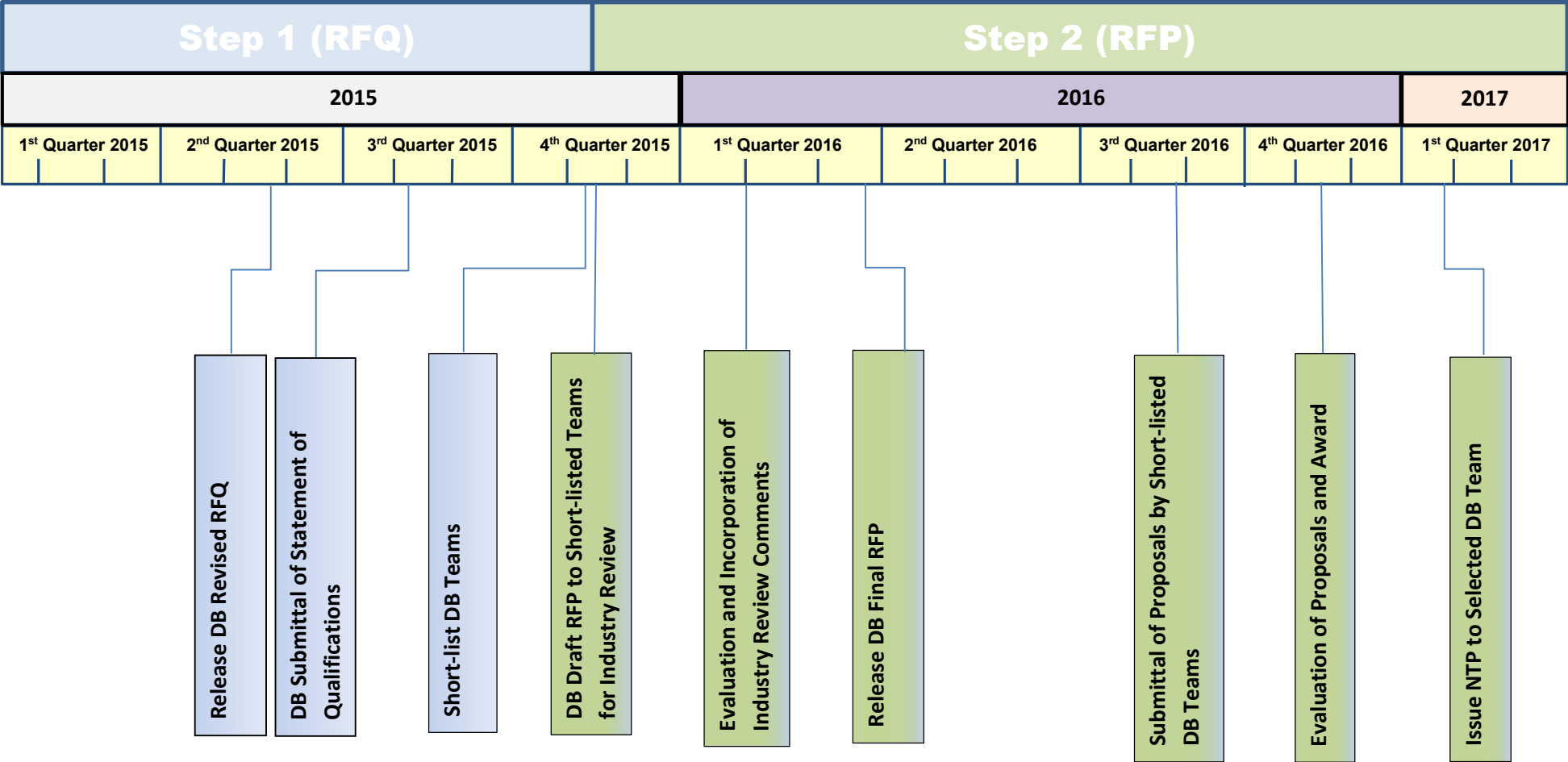


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**Attachment C**

# Interstate 405 Improvement Project Design-Build Procurement Timeline



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



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**PowerPoint**





# Interstate 405 Improvement Project

Procurement Process and Schedule



# Design-Build: Two Step Procurement Process

- Orange County Transportation Authority (OCTA) is using a two-step procurement process resulting in a “best value” selection of a design-build (DB) team.
- Process is based on AB 401 (Chapter 586, Statutes of 2013) requirements, Federal Highway Administration requirements, OCTA policies and procedures, and industry best practices.
- Similar process OCTA used for State Route 22 DB project and Riverside County Transportation Commission used for State Route 91 DB project.

# Procurement Timeline and Next Steps

	Activity/Milestone	Completion Date
Step 1 - Request for Qualifications (RFQ)	Board of Directors (Board) approved release of revised RFQ	April 27, 2015
	Board approved short-listed DB teams	November 9, 2015
Step 2 – Request for Proposals (RFP)	Board approved release of draft RFP for industry review	November 9, 2015
	Request Board approval to release final RFP	March 28, 2016
	Technical proposals due date	August 31, 2016
	Financial proposals due date	September 14, 2016
	Request Board approval of selection of DB team (Award)	November 14, 2016
	Notice-to-proceed issued to successful DB team	January 31, 2017