

PROCUREMENT SUMMARY

**SOUTHEAST GATEWAY LINE PROJECT ADVANCED WORKS
CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC)
CONTRACT NO. PS119518000**

1.	Contract Number: PS119518000	
2.	Recommended Vendor: Flatiron-Herzog, a SGL Joint Venture	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 25, 2024	
	B. Advertised/Publicized: April 25, 2024	
	C. Pre-Proposal Conference: May 7, 2024	
	D. Proposals Due: July 16, 2024	
	E. Pre-Qualification Completed: December 2, 2024	
	F. Ethics Declaration Forms submitted to Ethics: July 17, 2024	
	G. Protest Period End Date: February 26, 2025 (Estimated)	
5.	Solicitations Downloaded: 124	Proposals Received: 5
6.	Contract Administrator: Fred Leung	Telephone Number: (213) 922-8914
7.	Project Manager: June Susilo	Telephone Number: (562) 524-0532

A. Procurement Background

This Board Action is to approve Contract No. PS119518000 issued in support of the Construction Manager/General Contractor (CM/GC) project delivery method for the Southeast Gateway Line (SGL) Advanced Works Project. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

Prior to the release of the solicitation, Metro initiated an Industry Review (IR) process and released the draft Request for Proposals (RFP) and draft CM/GC contract to the transportation construction industry. The purpose of the IR was to solicit feedback on the proposed scope and phasing of the utility adjustment and freight relocation work, and on the contract's terms and conditions. Metro conducted one-on-one meetings with prospective contractors to discuss the scope, phasing, and proposed project delivery approach. This initiative aimed to enhance the likelihood of receiving competitive proposals for the solicitation. The one-on-one meetings were held virtually on November 15 and 16, 2023, with four firms participating. Metro addressed the 71 consolidated comments received during the IR process and posted the public responses on the Vendor Portal on February 05, 2024.

The RFP was issued in accordance with Metro's Acquisition Policy, and the contract type is Construction Manager/General Contractor (CM/GC). The Diversity & Economic Opportunity Department recommended a Disadvantaged Business Enterprise (DBE) goal of 28% for Phase 1 – Pre-Construction Services. The DBE goal for Phase 2 – Construction, will be determined by Metro in accordance with the contract, should Phase 2 work proceed.

Three (3) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 17, 2024, revised RFP Appendix B and C and various sections of the contract and contract exhibits.
- Amendment No. 2, issued on June 12, 2024, extended the Proposal Due Date and revised RFP Section 1 – Letter of Invitation and various sections of the contract and contract exhibits.
- Amendment No. 3, issued on June 26, 2024, revised Appendix D – Section 4.11 of the RFP and revised various contract exhibits.

A virtual pre-proposal conference was held on May 7, 2024, and was attended by 45 participants representing 21 firms. Three (3) sets of questions and responses were released before the proposal due date.

A total of 124 downloads of the RFP were recorded in the planholders' list. A total of five (5) proposals were received on July 16, 2024.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of the Gateway Cities Council of Governments and staff from Metro's Project Management Office, Countywide Planning & Development, and Program Control was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following weighted evaluation criteria:

• Capability and Experience	35 Points
• Project Understanding	10 Points
• Project Approach	30 Points
• Cultural Competency	5 Points
• Price	<u>20 Points</u>
	100 Points

Several factors were considered when developing these point values, giving the greatest importance to Capability and Experience. Additionally, a criterion of 5 points was allocated for proposers to demonstrate their approach to Cultural Competency.

In addition, the price evaluation criteria consisted of the following price elements with pre-established parameters to reflect the phases of the project, designed to establish a level playing field and to arrive at one price formula that would be evaluated with the understanding that only the amount listed under Phase 1 would be used for the awarded Contract Value (subject to clarification and/or negotiations). The price elements stated in the RFP are as follows:

1. Phase 1 Pre-Construction Lump Sum Fee
2. Delay Compensation Rate (daily) for Phase 1 with an assumed estimated quantity of 90 days of Compensable Delay during Phase 1 (for evaluation purposes only)
3. Phase 2 Management Lump Sum Fee, assuming a 36-month period of performance for Phase 2 work (for evaluation purposes only)
4. Phase 2 Margin Percentage, assuming a construction cost of \$450,000,000 (for evaluation purposes only)

Of the proposals received, all five were determined to be within the competitive range and are listed below in alphabetical order:

1. Advanced Work Builders (Joint Venture of Myers & Sons Construction, LLC; Railworks Track Services, LLC; Sully-Miller Contracting, Co.; and Colas Construction USA, Inc.)
2. Balfour Beatty Infrastructure, Inc. (Balfour Beatty)
3. Flatiron-Herzog, a SGL Joint Venture (Flatiron-Herzog JV)
4. Kiewit Infrastructure West Co. (Kiewit)
5. Southeast Gateway Constructors (Joint Venture of Skanska USA Civil West; and Stacy & Witbeck, Inc.)

During August and September 2024, the PET reviewed and scored each proposal. On October 11, 2024, the PET met and received Oral Presentations from all five firms. The Proposers' project managers and key team members had an opportunity to present each team's capability and experience, and its understanding and approach to the Project scope. Each team was asked questions regarding their previous experience related to delivering a similar Project. Following oral presentations, staff requested and received clarifications on proposed personnel from all firms.

Qualifications Summary of Firms within the Competitive Range

Flatiron-Herzog JV

Flatiron-Herzog JV effectively demonstrated extensive experience with similar projects and proposed a highly qualified team with a strong background in public transportation. Their proposal clearly articulated a comprehensive understanding of

the project and their approach to performing the Phase 1 work. Flatiron-Herzog JV received the highest scores in both the technical and price proposal evaluations. Their proposal achieved the top scores across all evaluation criteria, including a score of 4.13 out of 5 for Cultural Competency. Furthermore, Flatiron-Herzog JV exceeded the established goal by committing to a 29.43% DBE participation, which was the highest DBE commitment among the five Proposers.

Southeast Gateway Constructors

Southeast Gateway Constructors demonstrated strong qualifications and experience in their proposal, supported by a highly capable team and a clear understanding of the project requirements. They presented a solid approach to executing similar projects and provided detailed insights into their methodologies.

Kiewit

Kiewit presented a qualified team with a solid understanding of the project's scope and an effective approach to addressing its challenges. Their proposal demonstrated a reasonable grasp of the project's risks and opportunities and outlined clear strategies for managing these elements.

Advanced Work Builders

Advanced Work Builders presented an experienced team with a strong understanding of the project scope, risks, and opportunities. Their proposal demonstrated a comprehensive approach to addressing the project's challenges.

Balfour Beatty

Balfour Beatty presented a team with strong corporate experience in railroad-related projects and an approach suitable for the project. However, their background was more focused on Design-Build or Design-Bid-Build methodologies, rather than the CM/GC project delivery method. Their proposed cost was the highest among the five proposers, which placed them lower in the competitive range.

After a thorough evaluation review of proposals and the oral presentations, the PET's recommendation in the order of ranking is shown in the table below:

1	Proposer Name	Average Score	Factor Weight	Weighted Average Score	Rank
2	Flatiron-Herzog JV				
3	Capability and Experience	87.14	35%	30.50	
4	Project Understanding	81.20	10%	8.12	
5	Project Approach	80.20	30%	24.06	
6	Cultural Competency	82.60	5%	4.13	
7	Price	100	20%	20.00	
8	Total		100%	86.81	1
9	Southeast Gateway Constructors				
10	Capability and Experience	81.97	35%	28.69	
11	Project Understanding	76.30	10%	7.63	
12	Project Approach	77.97	30%	23.39	
13	Cultural Competency	72.40	5%	3.62	
14	Price	93.85	20%	18.77	
15	Total		100%	82.10	2
16	Kiewit				
17	Capability and Experience	73.57	35%	25.75	
18	Project Understanding	75.00	10%	7.50	
19	Project Approach	74.97	30%	22.49	
20	Cultural Competency	70.00	5%	3.50	
21	Price	91.55	20%	18.31	
22	Total		100%	77.55	3
23	Advanced Work Builders				
24	Capability and Experience	69.83	35%	24.44	
25	Project Understanding	71.30	10%	7.13	
26	Project Approach	73.33	30%	22.00	
27	Cultural Competency	72.40	5%	3.62	
28	Price	83.00	20%	16.60	
29	Total		100%	73.79	4

30	Balfour Beatty				
31	Capability and Experience	51.60	35%	18.06	
32	Project Understanding	55.00	10%	5.50	
33	Project Approach	57.97	30%	17.39	
34	Cultural Competency	60.00	5%	3.00	
35	Price	70.65	20%	14.13	
36	Total		100%	58.08	5

C. Cost/Price Analysis

The recommended Phase 1 Lump Sum Fee and Delay Compensation Rate, and Phase 2 Management Lump Sum Fee and Margin Percentage have all been determined to be fair and reasonable based upon review of an independent cost estimate (ICE), cost analysis, technical evaluation, additional fact finding, and negotiations with the highest ranked Proposer.

Proposer Name	Proposed Amount	Metro ICE	Award Amount
Flatiron-Herzog JV	\$10,543,239 (Phase 1 Lump Sum Fee)	\$16,900,000 (Phase 1 Lump Sum Fee)	\$10,543,239 (Phase 1 Lump Sum Fee)
	\$14,600/day (Phase 1 Delay Compensation Rate)	A Range of \$17,900 - \$32,000/day (Phase 1 Delay Compensation Rate)	\$12,300/day (Phase 1 Delay Compensation Rate)
	\$232,600/month (Phase 2 Management Lump Sum Fee)	\$234,000/month (Phase 2 Management Lump Sum Fee)	\$232,600/month (Phase 2 Management Lump Sum Fee)
	8% (Phase 2 Margin Percentage)	A Range of 8% -12% (Phase 2 Margin Percentage)	8% (Phase 2 Margin Percentage)
Southeast Gateway Constructors	\$12,112,321 (Phase 1 Lump Sum Fee)		
	\$10,000/day		

	(Phase 1 Delay Compensation Rate)		
	\$234,000/month (Phase 2 Management Lump Sum Fee)		
	8.5% (Phase 2 Margin Percentage)		
Kiewit	\$11,708,904 (Phase 1 Lump Sum Fee)		
	\$10,000/day (Phase 1 Delay Compensation Rate)		
	\$218,752/month (Phase 2 Management Lump Sum Fee)		
	9% (Phase 2 Margin Percentage)		
Advanced Work Builders	\$11,960,520 (Phase 1 Lump Sum Fee)		
	\$10,000/day (Phase 1 Delay Compensation Rate)		
	\$220,320/month (Phase 2 Management Lump Sum Fee)		
	10% (Phase 2 Margin Percentage)		
Balfour Beatty	\$16,858,602 (Phase 1 Lump Sum Fee)		
	\$31,000/day		

	(Phase 1 Delay Compensation Rate)		
	\$225,000/month (Phase 2 Management Lump Sum Fee)		
	10% (Phase 2 Margin Percentage)		

The price evaluation criteria included in the RFP consisted of price elements with pre-established parameters to reflect the phases of the project. All firms proposed pricing within the pre-established parameters.

The final recommended Phase 1 Lump Sum Fee is lower than Metro's ICE due to the following factors:

- The ICE was initially developed with several full-time key personnel allocated to support the Phase 1 effort, in contrast, Flatiron-Herzog JV's proposal incorporated part-time staff to support Phase 1 and the associated scope of work, which is considered reasonable.
- Flatiron-Herzog JV also proposed lower overhead rates compared to those included the Metro's ICE.

Staff successfully negotiated a reduction in the Phase 1 Delay Compensation Rate.

D. Background on Recommended Contractor

Flatiron-Herzog, a SGL Joint Venture (Flatiron-Herzog JV)

The managing partner of the Joint Venture (JV), Flatiron West, Inc. (Flatiron) is based in Chino, California and has 75 years of experience in delivering complex civil and transit projects. Flatiron has worked on 745 projects in California since 1991. Of these, 138 are located in the Los Angeles area, including the current G-Line Bus Rapid Transit Improvements and I-105 Express Lanes projects.

Herzog Contracting (Herzog), the other JV Partner, is headquartered in Long Beach, California. A leading track and heavy civil contractor with 55 years of experience, Herzog specializes in large-scale rail projects across the United States. The company has also collaborated with transit agencies across the U.S. to deliver \$7.7 billion in collaborative delivery projects.

The Flatiron-Herzog JV was formed specifically for this endeavor, combining their expertise in CM/GC and alternative project delivery methods to bring innovative solutions and resources to the project.

