

PROCUREMENT SUMMARY

WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT – DESIGN/BUILD
CONTRACT NO. C1120

1.	Contract Number: C1120	
2.	Recommended Vendor: Tutor Perini/O & G, a 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: 9-14-2015	
	B. Advertised/Publicized: 9-11-2015	
	C. Pre-Proposal Conference: 10-6-2015	
	D. Proposals Due: 06-01-2016	
	E. Pre-Qualification Completed: 12-4-2015	
	F. Conflict of Interest Form Submitted to Ethics: 6-8-2016	
	G. Protest Period End Date: 1/27/2017	
5.	Solicitations Picked up: 114	Bids/Proposals Received: 3
6.	Contract Administrator: Kenneth Stewart	Telephone Number: 213-922-7687
7.	Project Manager: Michael McKenna	Telephone Number: 213-312-3132

A. Procurement Background

This Board Action is to approve the award of a design-build “Best Value” procurement issued in support of the Westside Purple Line Extension Section 2 Project. Contract No. C1120 will extend the existing heavy rail subway Purple Line approximately 2.55 miles from the future terminus at Wilshire/La Cienega and will include two new stations: Wilshire/Rodeo and Century City Constellation. The Section 2 alignment travels westerly beneath the City of Beverly Hills and Century City area of the City of Los Angeles. Board approval of the contract award is subject to resolution of any properly submitted protest(s).

The Work under this Contract includes, but is not limited to, furnishing all management, coordination, professional services, labor, equipment, materials and other services to perform the final design and construction of twin bored Tunnels, Stations, Trackwork, Utilities and Systems of the Westside Purple Line Extension Section 2 Project. The contract type is a firm fixed price.

A Request For Qualifications (RFQ)/Request for Proposals (RFP) was issued on September 14, 2015. A pre-proposal conference was held on October 6, 2015, in the Board Room with representatives of approximately 200 firms in attendance. A networking event was held for the subcontracting community immediately after the conference.

The RFQ/RFP implemented a two-step negotiated procurement in accordance with California Public Contract Code § 22160-22169 and in accordance with Metro’s Acquisition Policy. The first phase of the procurement was a request for Statement of Qualifications (SOQ). A prequalification evaluation team evaluated the SOQs. Three responsive SOQs were received on October 30, 2015.

The three firms met the RFQ requirements, were designated as prequalified parties, and were invited to submit proposals in response to the second phase of the solicitation, the RFP.

The prequalified firms submitted technical and commercial questions which were recorded and reviewed by Metro staff. Formal written answers to approximately 600 questions were provided to the prequalified firms and the other 111 planholders.

Thirteen amendments were issued during the solicitation and evaluation process:

- Amendment No. 1, issued on October 7, 2015, extended the due date for SOQ questions by one week and adjusted the number of electronic/hard copies required;
- Amendment No. 2, issued on October 19, 2015, extended the SOQ due date by one week and made clarifications to various requirements;
- Amendment No. 3, issued on November 2, 2015, updated DBE listings and forms, updated General Requirements and provided technical documentation;
- Amendment No. 4, issued on November 10, 2015, extended the period of time for Proposers to perform DBE outreach events;
- Amendment No. 5, issued on December 4, 2015, announced the three firms pre-qualified to submit proposals for the benefit of the subcontracting community;
- Amendment No. 6, issued on December 10, 2015, provided additional and revised technical documents including requirements, drawings and design criteria;
- Amendment No. 7, issued on February 1, 2016, clarified contract language;
- Amendment No. 8, issued on February 4, 2016, clarified campaign contribution language, easement and right of way availability, the schedule of quantities and prices, and provided new and revised technical documentation;
- Amendment No. 9, issued on February 23, 2016, provided new and revised technical specifications and drawings;
- Amendment No. 10, issued on March 9, 2016, updated the DBE listing and introduced new subcontractor payment language;
- Amendment No. 11, issued on March 23, 2016, clarified Good Faith Efforts language, removed the DBE Tiered Program requirement disapproved by the FTA, updated DBE forms, clarified organizational document requirements, revised Provisional Sum definitions, and clarified technical document labelling and special inspections language;
- Amendment No. 12, issued on April 13, 2016, extended the proposal due date to June 1, 2016, revised the standard payment to subcontractor language and added an optional prompt payments to subcontractors initiative along with updated submittal language and evaluation criteria, clarified permitting language, added rail system related appendices, and provided a schedule template reference document;
- Amendment No. 13, issued on October 6, 2016, clarified Schedule of Quantities and Prices- Schedule D-Delay Compensation unit rate definitions and requirements and requested extension of the validity period of proposals an additional 90 days to February 26, 2017.

Three proposals were received on June 1, 2016, from the following firms:

1. Skanska-Obayashi a Joint Venture
2. Tutor Perini/O & G, a Joint Venture
3. Walsh Strabag Joint Venture

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Project Engineering, Metro Project Management, Metro Rail Wayside Systems, and the City of Los Angeles Bureau of Engineering conducted a comprehensive evaluation of the proposals received. The team was supported by 17 subject matter experts (SME) who reviewed selected portions of each proposal and prepared written reports to the PET according to their respective area of expertise. The PET considered the SMEs' input as part of their evaluation and score of each proposal.

The PET performed a detailed evaluation of all three proposals in accordance with the factors and sub-factors set forth in the RFP to assign a score and ranking. The evaluation considered all technical and price factors defined in the RFP and Source Selection Plan.

The proposals were evaluated based on the following major evaluation criteria and weights

- Project Management 45 percent
- Technical Approach 20 percent
- Price 35 percent
- A Prompt Payment to Subcontractors Initiative 5 percent (bonus scoring)

The Proposers could opt for the prompt payment initiative, noted above, that requires the prime contractor to pay its first tier subcontractors for work completed prior to submitting its monthly billing to Metro. This triggers the cascading of earlier payments where each subcontractor must make payment to their subcontractors of undisputed amounts within 7 days of having received payment. In return, Metro provides terms of Net 21 days payment of undisputed amounts to the Contractor.

Each Proposer received written Requests for Clarification regarding topics such as work experience, safety documentation, Disadvantaged Business Entity (DBE) forms, design cost reporting, subcontractor work scopes and registrations, and organizational documents.

Each proposing team was invited to make an oral presentation to the PET for the purpose of clarifying their proposal and demonstrating their understanding of Metro's requirements, thus allowing the PET to refine technical scoring. The presentation meeting format, the amount of time allowed, and general questions asked were standardized.

The Contract Administrator and Project Manager held separate discussions with each Proposer between August 4, 2016, and August 11, 2016, to address potential deficiencies, understand concerns about risk, and review assumptions taken in relation to the price proposal. Two of the Proposers, after discussions were held, submitted a revised proposal at a higher price.

Discussions confirmed the Proposers' understanding of the scope and appropriate approaches and plans to complete the scope of work. No material change to the Scope of Work was discovered that would necessitate a request for Best and Final Offers.

Each of the three proposals were responsive to the requirements of the RFP, including evidence of bonding capability, insurability, current contract licenses, appropriate and duly notarized joint venture agreements, as well as disclosure of litigation.

All three Proposers were determined to be within the competitive range so that all aspects of their offerings could be fully explored and understood.

Summary of Firms within the Competitive Range

Tutor Perini/O & G, a Joint Venture

Tutor Perini/O & G, JV is a joint venture made up of Tutor Perini Corporation of Sylmar, California and O & G Industries of Torrington, Connecticut, with Frontier Kemper as a tunneling subcontractor. Tutor Perini maintains a large nationwide presence building infrastructure in large metropolitan areas and has built railways and stations for Metro including multiple portions of Metro's Red Line Project. O & G Industries has delivered many important public projects on the East Coast.

Skanska-Obayashi a Joint Venture

Skanska-Obayashi JV is a joint venture between Skanska USA Civil West California District Inc. of Riverside, California and Obayashi Corporation of Burlingame, California. Skanska's experience includes building Metro's Foothill Gold Line and the Expo 2 Line. Skanska is currently a joint venture member building the Regional Connector Project and the Westside Purple Line Section 1 Project. Obayashi is a large, multinational construction firm maintaining offices and executing large construction projects, including those with tunnels, throughout the world.

Walsh Strabag Joint Venture

Walsh Strabag JV is a joint venture between Walsh Construction II, LLC of Chicago, Illinois and Strabag Corp of Wilmington, Delaware. Walsh is a very large privately held construction company with regional offices covering North America. It has executed transit projects in several large metropolitan areas throughout the United States. Walsh is currently a joint venture member building the Crenshaw/LAX Project. Strabag is a large, multinational construction firm maintaining offices and executing large projects throughout the world including a special tunneling division.

Evaluation Outcome

Based on a thorough evaluation of all proposals, as performed and determined by the Proposal Evaluation Team, the Tutor Perini/O & G, a Joint Venture proposal offers the "Best Value" and is the most advantageous to Metro.

Tutor Perini/O & G, a Joint Venture demonstrated strengths with readily available key personnel, an innovative approach to moving material underground, their Contracting Outreach and Mentor Protégé plan and the joint venture partners' history of working together. While the other two Proposers' weighted scores for Project Management and Technical Approach were minimally higher, the difference in the technical capability found in their proposals was not great enough to justify the significantly higher prices proposed. The Tutor Perini/O & G proposal is determined technically comparable at an award price that is approximately \$452 million lower than the next lowest proposal.

The final scores and ranking of the proposals is summarized in the table below.

Final Evaluation Scoring

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Tutor Perini/O & G, JV				
3	Project Management	71.47	45.00%	32.16	
4	Technical Approach	73.10	20.00%	14.62	
5	Price	100.00	35.00%	35.00	
6	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
7	Total		105.00%	86.78	1
8	Skanska-Obayashi, JV				
9	Project Management	76.31	45.00%	34.34	
10	Technical Approach	77.15	20.00%	15.43	
11	Price	68.31	35.00%	23.91	
12	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
13	Total		105.00%	78.68	2
14	Walsh Strabag JV				
15	Project Management	73.44	45.00%	33.05	
16	Technical Approach	79.05	20.00%	15.81	
17	Price	65.23	35.00%	22.83	
18	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
19	Total		105.00%	76.70	3

All Scores rounded to the second decimal.

*All Proposers received full credit.

C. Cost/Price Analysis

A line by line proposal pricing evaluation was performed, with certain line items of each proposal being identified as of interest. The line items of interest were different for each Proposer. The respective line items were addressed during the commercial and technical discussions with Proposers.

The price of the recommended award is determined to be fair and reasonable based on adequate price competition and comparison to the independent cost estimate which was submitted concurrently with the proposals.

Proposer Name	Total Price Proposal ¹	Total ICE ² Price Proposal	Award Price ³	ICE Award Price ³
Tutor Perini/O & G, JV	\$1,453,622,111	\$1,343,780,007	\$1,376,500,000	\$1,234,711,573
Skanska-Obayashi, JV	\$1,947,004,375		\$1,828,934,700	
Walsh Strabag JV	\$2,324,627,678		\$2,018,569,899	

Note¹: The Total Price Proposal includes the Base Work, Provisional Sums, Unit Prices, Delay Compensation, and Life Cycle Costs.

Note²: The Independent Cost Estimate (ICE) amounts are submitted before the due date and opened concurrently with the other Proposals.

Note³: The Award Price includes Base Work and Provisional Sums only.

D. Background of Recommended Contractor

Tutor Perini/O & G, JV is a fully integrated joint venture between Tutor Perini Corporation (Tutor Perini), the Managing Partner with 75% equity, and O & G Industries, Inc. (O & G) with 25% equity.

Tutor Perini is advertised as the largest publicly traded civil works contractor that is headquartered in California and was ranked 14th of Engineering News-Record (ENR)'s Top 400 Contractors list for 2015. Tutor Perini has performed work on very large projects in the City of Los Angeles, throughout California, and the United States, including projects for LACMTA's underground system. Tutor Perini's experience includes the BART Extension to San Francisco International Airport line and track; the AirTrain at JFK International Airport, and Metro's Red Line.

O & G Industries, Inc. is a privately held company. O & G has been ranked as the 210th of the country's top 400 construction companies and is one of the larger heavy/civil contractors in the northeastern United States. O & G has worked with Tutor Perini on large projects in the past. Locally, Tutor Perini and O & G delivered the D-B Alameda Corridor Project in south Los Angeles.

STV Incorporated (STV) is the lead engineering firm. STV has worked with Tutor Perini on D-B transportation projects around the nation since 1997.