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DATE: FEBRUARY 2, 2006

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE 
INTERIM CHIEF EXECUTIVE OFFICER

ACTION: APPROVE SELECTION OF DESIGN-BUILD CONTRACTOR

RECOMMENDATION

1. Authorize the Chief Executive Officer (CEO) to negotiate and submit for Board approval a Negotiated Design-Build Contract with the top ranked firm (FCI/Fluor/Parsons) upon terms that the CEO determines to be in the best interests of the Authority and at a price which is within the Board adopted Budget and at a cost that the CEO determines is fair and reasonable to the Authority.
2. Authorize the CEO, should he determine that the Authority will not be able to reach agreement with the top ranked firm, to negotiate and submit for Board approval a Negotiated Design-Build Contract with the second ranked firm (Mid-City Constructors JV) upon terms that the CEO determines to be in the best interests of the Authority and at a price which is within the Board adopted Budget and at a cost that the CEO determines is fair and reasonable to the Authority.
3. Direct the CEO, should he be unable to negotiate a satisfactory contract with either firm, to terminate negotiations and 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 Proposals (RFP). The initial

selection process has identified which Proposer presented the best combination of non-price and price factors. The next step in the process is to enter into negotiations with that Proposer. Upon successful negotiations a contract will be brought back for Board approval.

DISCUSSION

The Request for Proposals (RFP) for the contract described the Authority's contractor selection process as a "Best Value" determination – one wherein the Authority determines which Proposer presented the best combination of non-price and price factors. The non-price factors were clearly defined in the RFP and included the following five equally weighted criteria:

1. Management and Organization Structure (includes qualifications and experience)
2. Construction Plan, Project Management Plan, and Overall Approach to the Work
3. Contracting Plan
4. Construction Safety Proposal and Record
5. Quality of the Community, Public and Business Mitigation Commitments

The Authority's confidential Evaluation Methodology prepared for this procurement process was designed to determine which Proposer offered the Best Value 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 Evaluation Methodology 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 basic approach was to:

1. Verify if the proposals were compliant with and responsive to the RFP requirements
2. Objectively evaluate the proposals using the Technical (non-price) evaluation criteria described in the RFP
3. Open the sealed price proposal envelopes for only those Proposers found to have submitted compliant, responsive proposals, following completion of the Technical Evaluation for the responsive Proposers
4. Determine which Proposer presented the Best Value to the Authority based upon the combination of price and technical scores, weighted as described in the RFP.

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 Legal Counsel, and the Authority's outside legal consultant. The subcommittee determined that three proposals had been submitted that were in compliance with the RFP requirements.

Technical Evaluation. There were five separate, independent evaluation subcommittees established: one for each of the five non-price ("Technical") evaluation criteria identified in the RFP and listed above, such that there was no overlap, and so no individual evaluation subcommittee member could have visibility of the scores within any other evaluation criterion. Each Technical (non-price) evaluation subcommittee chairperson was solely responsible for compiling the scores from the individual members of the subcommittee and forwarding them to the overall Evaluation Director, who reported to the Authority CEO and like the CEO, was a non-voting member. He/she could not alter in any way the summary sheets submitted by the subcommittee chairs. Each of the five subcommittees had at least three members.

The scoring members of the Technical Evaluation Subcommittees consisted of individuals who have the requisite expertise necessary to evaluate each component of the proposal. The subcommittee members were comprised of technical staff representatives from the cities along the corridor (Los Angeles, Culver City and Santa Monica) and Los Angeles County; 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; and selected technical specialists from the MTA.

All participants in the process, including each member of the subcommittees, 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.

Price Proposals. The price proposals remained sealed until the Technical Evaluation Subcommittee scoring process was completed and all subcommittee scoring sheets had been verified, signed, and turned in to the Evaluation Director by each subcommittee chair. At that point the price proposals for all responsive proposals were opened by the Authority General Counsel and the non-voting Evaluation Director.

Following review of the price proposals and verification that the pricing forms were properly executed, the Evaluation Director computed the total Best Value scores in accordance with the scoring method laid out in the RFP. The scores were re-checked and then presented to the Authority CEO by the Authority Legal Counsel and the Evaluation Director.

Total Best Value Score. The total Best Value scores were calculated as the sum of the weighted Technical Score and the weighted Price Score, where the Technical Score was weighted at 70% of the total score, and the price was weighted at 30% of the total score. In this manner, the top theoretical score could be 100 points if a Proposer had been highest ranked in the non-price Technical Evaluation and had also submitted the lowest

price. The total score is referred to as the overall Best Value score. The highest scoring firm is deemed to have proposed the overall "Best Value" to the Authority.

Based upon the Best Value scores, the following ranking was established:

1. FCI/Fluor/Parsons Joint Venture (JV)
2. Mid-City constructors JV (Granite/Brutoco)
3. Kiewit/Stacy and Witbeck JV

The Interim CEO has reviewed and considered the Evaluation Committee's recommendation and concurs with such recommendation.

FINANCIAL IMPACT

The negotiations for this Design Build contract shall result in a price which the CEO determines is fair and reasonable for design, professional services and professional liability insurance. This amount shall be within the Metro Full Funding Plan of \$640,000,000.

NEXT STEPS

Subject to Board approval of the recommended action contained in this report, the CEO will lead the negotiations with the highest scoring Proposer, the JV of FCI, Fluor and Parsons Transportation Group. Assuming negotiations are successful, the CEO will return to the Board for consideration of contract award subject to the prior issuance of the Record of Decision by the Federal Transit Administration.

ATTACHMENTS

None